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# COMMERCE

# Magazine

## Investing Facts & Fancies

## UNreasonable Facsimiles

## Got "Compensationitis"?

## You Can So Relax!

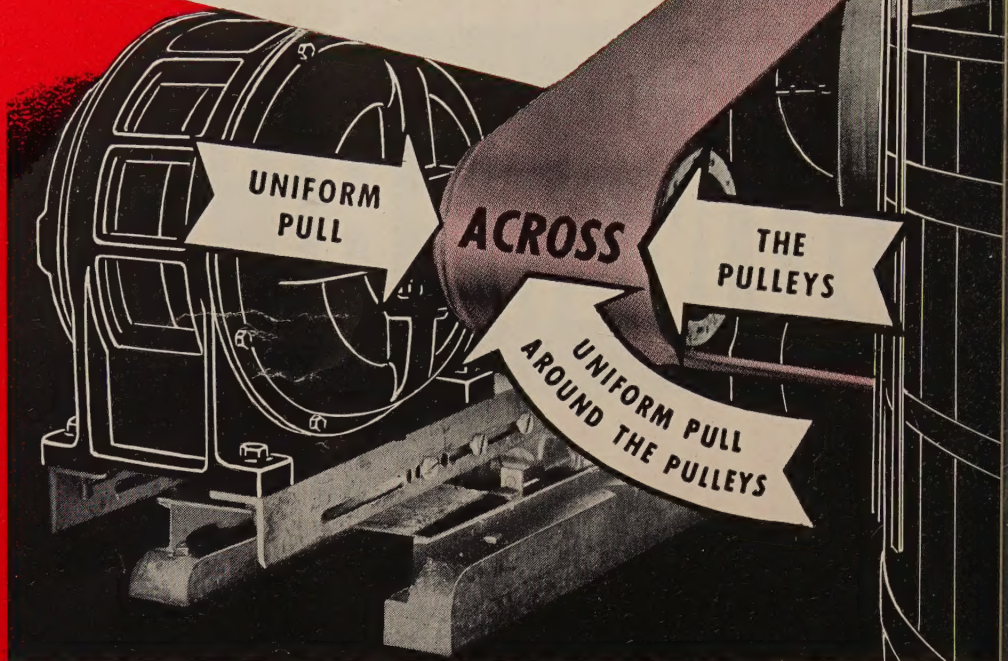
## Another Federal Agency

## Good Scholarships & Bad

**September, 1953 • 35c**



**YOU GET BETTER  
SERVICE LIFE WITH  
ONE CHICAGO  
BELT**



**BECAUSE THERE IS ONLY —**

- ONE BELT
- ONE EVEN TENSION
- ONE PULLEY GRIP
- ONE UNIFIED PULLING POWER

If a Chicago Belt were cut into six strands, with each strand placed in a pulley groove and used as a multiple-pull belt drive, this is what would happen within a few years—

1. Each strand would carry an unequal share of the load because of the dissimilar service wear on each strand.
2. The pulley grip of each strand would be different, some strands would slip, some would "ride" and others grip firmly.
3. The six strands would have six uneven and improper tensions — resulting in reduced drive efficiency.

4. The pulling power also would vary, with only a few strands actually pulling the load.

THAT'S WHY CHICAGO BELTING COMPANY DOES NOT BELIEVE IN THE PRINCIPLE OF "MULTIPLE PULL" BELT DRIVES.

We know that Chicago Belts will outwear and outlast multiple-belt drives every time by our own service records. There are other important reasons for choosing Chicago Belts. Call MONroe 6-5050 and get the full story from one of our Sales Engineers.

*For "Unified Pulling Power" demand Chicago Belting*

**CHICAGO BELTING COMPANY**

MANUFACTURERS OF LEATHER BELTING AND LEATHER PACKINGS

GREEN & WASHINGTON STREETS, CHICAGO


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*These specialized services of Englewood Electrical Supply Company are proving more valuable than ever to Electrical Contractors, Industrial Plants, Maintenance Engineers, Builders and Architects.*




 Complete engineering and layouts for industrial, commercial and residential lighting.

 Close contacts, through Englewood, with over 500 leading manufacturers of electrical products.

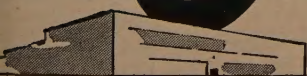
 Expediting—to insure delivery of the products you need when you want them.

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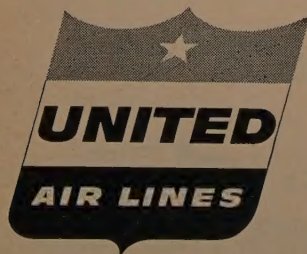


A full-course steak dinner prepared by experienced Continental chefs, table-served by the two stewardesses aboard.



Special services include message service as you leave the city. And if you'd like to do some work on board, your stewardess will arrange a table for you.

**Note:** "The New York Executive" is in addition to the regular 5:05 p.m. non-stop. Eleven other "round the clock" nonstops daily between Chicago and New York.



## statistics of...

# Chicago Business

	July, 1953	June, 1953	July, 1952
Building permits.....	961	1,276	6
Cost.....	\$ 16,483,000	\$ 21,342,900	\$ 16,483,000
Contracts awarded on building projects,			
Cook Co. ....	1,774	2,072	1,8
Cost.....	\$ 101,364,000	\$ 40,084,000	\$ 64,699,000
(F. W. Dodge Corp.)			
Real estate transfers.....	8,368	7,864	6,8
Consideration.....	\$ 6,883,890	\$ 7,051,045	\$ 7,486,500
Department store sales index.....	82.8	103.3	78
(Federal Reserve Board)			
(Daily average 1947-49 = 100)			
Bank clearings.....	\$ 4,088,752,520	\$ 4,122,604,602	\$ 3,724,601,800
Bank debits to individual accounts:			
7th Federal Reserve District.....	\$23,588,315,000	\$23,911,000,000	\$20,884,179,000
Chicago only.....	\$11,643,223,000	\$12,097,194,000	\$11,008,218,000
(Federal Reserve Board)			
Midwest Stock Exchange transactions:			
Number of shares traded.....	1,072,403	1,095,239	1,055,000
Market value of shares traded.....	\$ 36,874,984	\$ 38,276,370	\$ 35,389,000
Railway express shipments, Chicago area.....	922,621	1,001,711	900,500
Air express shipments, Chicago area.....	54,795	59,576	52,000
L.C.L. merchandise cars.....	19,047	18,444	18,900
Electric power production, kwh.....	1,304,370,000	1,302,787,000	1,121,094,000
Industrial gas sales, therms.....	12,390,222	14,350,296	10,789,600
Revenue passengers carried by Chicago			
Transit Authority lines:			
Surface division.....	46,545,101	48,481,223	47,750,600
Rapid transit division.....	11,230,103	11,607,745	10,903,300
Postal receipts.....	\$ 9,613,122	\$ 10,945,210	\$ 9,318,600
Air passengers:			
Arrivals.....	300,256	310,845	241,000
Departures.....	318,323	322,269	254,800
Consumers' Price Index (1947-49 = 100).....	115.7	115.3	115
Receipts of salable livestock.....	359,854	424,107	386,300
Families on relief rolls:			
Cook County.....	16,338	16,830	20,400
Other Illinois counties.....	11,350	11,286	12,000

\*Preliminary figure.

## October, 1953, Tax Calendar

Date Due	Tax	Returnable to
15	If total O.A.B. taxes (employer and employee) plus income tax withheld in previous month exceed \$100, pay amount to or remittance may be made at end of month with quarterly return directly to	Authorized Depositary Director of Internal Revenue
15	Illinois Retailers' Occupation Tax return and payment for month of September	Director of Revenue (Ill.)
15	Quarterly payment of estates tax	Director of Internal Revenue
31	Illinois Unemployment Compensation contribution and wage report, and payment for third quarter of 1953 (UC-3 and UC-40)	Director, Dept. of Labor
31	Fourth quarterly installment on 1952 Federal Unemployment Compensation Tax	Director of Internal Revenue
31	Quarterly return and payment (by depositary receipts or cash) of income and O.A.B. taxes withheld by employers for third quarter of 1953 (Form 941). Domestic Help (Form 942)	Director of Internal Revenue
31	Federal Excise Tax return and payment due for September, 1953	Director of Internal Revenue



# COMMERCE

## Magazine

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September, 1953

Volume 50

Number 8

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Sturdy, Editor • Gordon Rice, Advertising Manager • Lewis A. Riley, Associate Editor

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### in this issue...

Dean James E. McCarthy of Notre Dame's College of Commerce is not, he is quick to tell you, a reformer. But it has occurred to him, as it has to many other thoughtful individuals, that our ethical standards are not quite up to those of our forebears. Today we cut corners, let the "buyer beware," and ask ourselves, "What's in it for me?" These attitudes, declares Dean McCarthy in a forthright essay (p. 13), might be described as highly "unreasonable facsimiles" of honest standards of conduct—and they may lie at the root of many of our present day problems.

• • •

For years, Psychologist Donald A. Laird has been telling people to relax and live longer. This month he takes up the obvious sequel: just how do we learn to relax? The gist of take-it-easy advocate Laird's advice is that we devise "signals" that will periodically help us begin relaxing every day.

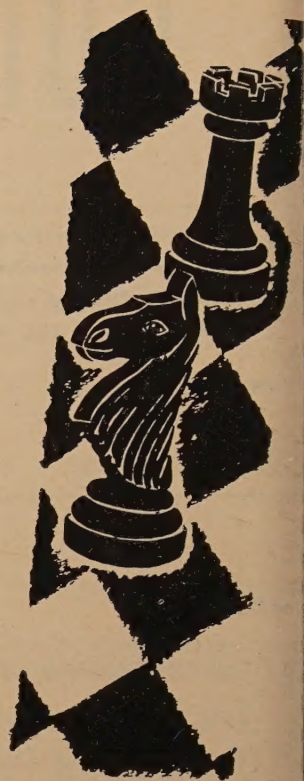
• • •

Business is rapidly becoming one of the biggest contributors to private education, as more and more firms underwrite scholarships at many colleges. The business of setting up a scholarship is not, however, as easy as it may sound, for if you attach too many eligibility requirements, you may find that no one can benefit from your generosity. P. H. Donaldson, Jr. tells business concerns (p. 18) what they should consider in establishing educational grants.

• • •

Dr. John E. Eichenlaub, author of the informative article on "compensationitis" (p.21), is a Johns Hopkins University graduate. With several years of general practice, including industrial work, and almost two years of Army psychiatric experience behind him, he is now Assistant Professor of Hygiene at the University of Illinois. The author of over 50 articles for national magazines, Dr. Eichenlaub emphasizes that he makes no effort to oppose or promote the principle of workmen's compensation, but tries only to help industry with the problems that arise under it.





## ***It's Your Move, Mr. Employer!***

**W**ITH trained personnel so difficult to hire today, the men and women of your organization must be counted among your most valuable assets. Develop these assets . . . recommend, as do many business men, that your people continue their education in night school or in their leisure time.

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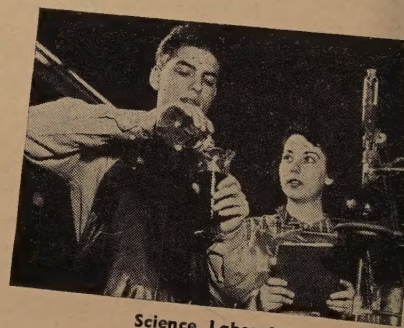
Serve your own interests and those of your employees by suggesting the value of "spare-time" training at Roosevelt. We will gladly furnish complete information.

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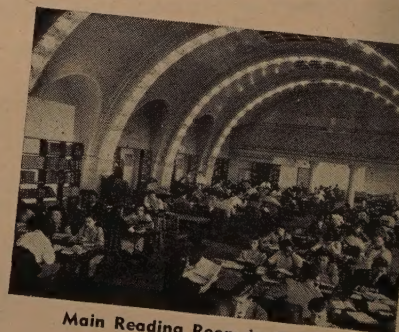
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# The Editor's Page

## *Big Job Well Started*

Disappointment over the fact that the first session of the Eighty-third Congress did not cut taxes seems to have obscured the big budget paring job it did accomplish for fiscal 1954. New money appropriated by Congress in the session just closed totalled \$64,240,601,588. This includes \$10,650,358,270 for interest on the public debt and other fixed charges Congress could not cut.

The \$64 billion appropriated represented a \$12.7 billion slash from the budget proposed by President Truman, not counting the fact that the Truman budget did not provide for Korean expenses. The Congressional figure actually includes somewhat more than \$2 billion for Korea.

Final appropriations by Congress were also slightly more than \$3 billion below the Eisenhower estimate, which was supposed to have been pared to the bone. Receipts are budgeted by the administration for the year at \$67 billion. This means an actual surplus could be shown for the year, if it were not for the spending of funds appropriated by previous congresses. There is still \$81 billion in unspent appropriations made earlier. Spending from this source plus spending of appropriations made at the recent session of Congress is expected to result in a \$5 or \$6 billion deficit for the 1954 fiscal year.

No one can take much comfort in the prospect of another deficit year. It is a solid and encouraging fact, however, that together the administration and Congress knocked \$12.7 billion off the Truman budget and for the first time in several years actually cut new spending appropriations below expected revenue. It is even more encouraging that neither the administration nor Congress feels they have completed the job of economizing.

## *Why Discriminate?*

Two years ago Congress amended the capital gains tax law to provide that the homeowner who made a profit in the sale of his house wouldn't have to pay a tax on that profit if it was invested in another home within a year.

That brings up the question: Why shouldn't the capital gains law be further amended to give the same treatment and consideration to investors who transfer their money from one security to another?

At present, the investor — whose savings, in the form of stocks and bonds have made our magnificent industrial machine possible — is the victim of severe inequalities when it comes to taxation. His dividends, if any, are subjected to double taxation. And if he decides to sell a stock on which he has made some profit in order to buy another stock — even after a six months holding period — he must pay up to 26 per cent of that profit to the government.

One threadbare argument is that this injustice is felt only by rich capitalists and speculators, whom no one need worry about. But that simply isn't true nowadays. One-third of all the stockholders in this country have annual incomes of less than \$5,000, and an additional 44 percent make between \$5,000 and \$10,000. Surveys also indicate that 90 per cent of all transactions on major stock exchanges are of the investment type, and only an insignificant portion are undertaken by traders who make a business of constant buying and selling.

One basic obligation of government is to treat all types and classes of taxpayers as equitably as possible. That certainly isn't being done in the case of the investor in securities.

## *Pet, You Take The Wheel!*

Male superiority, which seems constantly to be taking a beating these days, has come in for another blow. The shaft this time is aimed at what used to be considered the well established fact that men were safer drivers than their wives. According to a study on insurance loss ratios made by the State Farm Insurance Companies, this isn't necessarily so. Out of 64 occupational classes, housewives, the insurance company reports, ranked twenty-eighth in their rating as safe drivers of private passenger cars. They are well ahead of auto salesmen, truck drivers and garage employees who ranked thirty-second, forty-third and forty-eighth respectively.

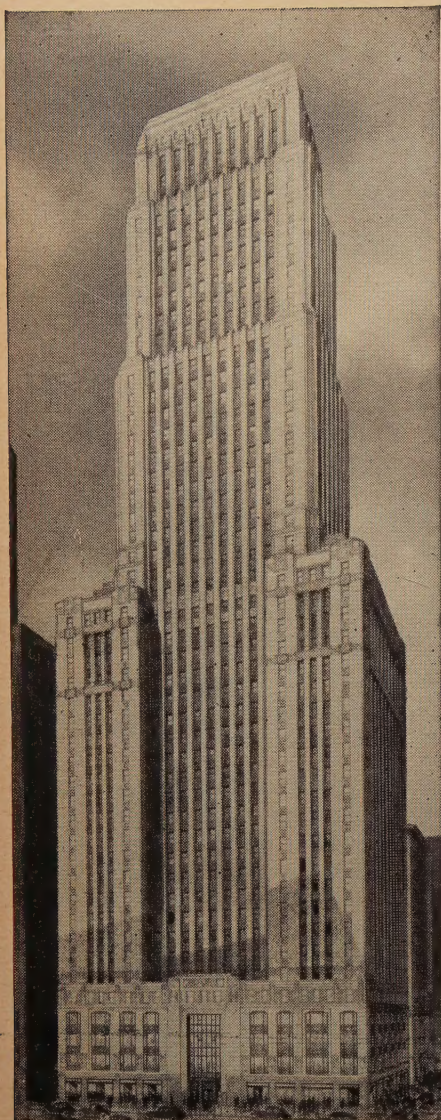
It is interesting to learn the womenfolk are far ahead of the clergy whose ranking as fifty-fifth puts them just ahead of canvassers and peddlers, amusement workers and entertainers in that order.

Happily, we can report that editors, reporters and photographers, as might well be expected, rate better than average. They stand in twenty-sixth position, two pegs above the housewife. This hardly entitles the gentry of the Fourth Estate to point with scorn at their spouses but at least they do not need to submit defenselessly to the back seat.

There is no foreseeing all of the repercussions in domestic relations that may occur as a result of the State Farm Insurance Companies having taken the trouble to burrow into the facts. But it is safe to say that comedians had better watch their gags and husbands prone to belittle their wives' wheelmanship had better first establish their own relative standing by occupation. Militant womanhood will not long fail to utilize a discovery so painfully in their favor!

*Alan Sturdy*





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# Here...There... and Everywhere

• **Five Year Progress** — How is the college graduate of five years ago doing today? The Illinois Institute of Technology got thinking about this question and decided to survey its class of 1948. Illinois Tech found the '48 graduate has increased his starting income about 100 per cent, from \$3,180 a year just after graduation to \$6,340 today. Overall, 96 per cent of '48 class earn more than \$4,500 annually; 76 per cent earn over \$5,500; 46 per cent make more than \$6,500; and 17 per cent are in the over-\$7,500 bracket.

• **New Pipeline** — Standard Oil Company of Indiana has begun construction of a new 238-mile refined products pipeline to connect its Whiting, Ind., refinery with River Rouge, Mich., and nearby consuming areas in Michigan and Indiana. The new 10 and 12 inch pipeline will be connected with Standard's five other products pipelines in seven midwestern states and will transport various grades of gasoline, kerosene, furnace oils, heater oils and diesel fuels.

• **Canine Catering** — United Air Lines reports that its policy of catering to canines is paying off in terms of a marked upsurge in flying dogs, ranging from blue-ribboned show aristocrats to pooches of undetermined origin. In the first half of this year, United increased its "dog-miles" by 97 per cent over the same 1952 period. A total of 3,861 dogs "flew United" this year as against 1,901 in the first half of last year.

• **Passenger Comfort** — Five new railroad coaches with electronic controls to provide year-round temperature comfort have been placed in service between Chicago, Port Huron and Detroit by the Grand Trunk Western division of Canadian National Railways. They are the first group of new cars ever built with electronic control of heating and

cooling, according to the Minneapolis-Honeywell Regulator Company whose engineers developed the ultra-sensitive system designed to improve passenger comfort and eliminate fuel waste.

• **Compensation Boosts** — There is a weekly raise awaiting many who lose wages due to on-the-job accidents, reports Commerce Clearing House of Chicago. Since the beginning of 1953, 18 states have enacted legislation raising such maximum weekly payments from \$1.75 to \$1. Illinois raised the maximum weekly payment by \$4.00 and the minimum payment by \$1.50.

• **Custom-made "Jeep"** — The first American car in 30 years to feature right-hand drive has come off the Willys Motors assembly line. It is a Jeep-type vehicle, specially made for the U. S. Post Office Department to facilitate the delivery of mail on suburban routes where the postman need not leave his seat to drop or mail into letter boxes along the roadside.

• **Attendance Rises** — Chicago Museum of Science and Industry reports that attendance of school children in organized groups has increased sharply this year. For the first six months this year, 3,174 such groups totalled 137,026 students to establish a new record. Last year for the same period there were 2,811 groups totaling 114,309 students. Total museum attendance for the same months of this year was 896,785, compared with 852,216 for the same 1952 period.

• **Slow Readers** — The average American business executive reads only 263 words a minute — about the speed of a normal sixth grade student — and comprehends less than 10 per cent of what he reads, declares

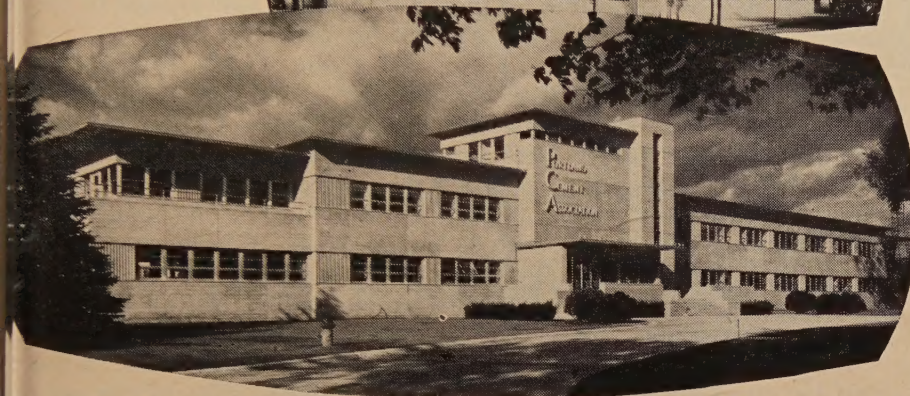
(Continued on page 24)



headquarters building of the  
Portland Cement Association  
Chicago, Illinois.



new research laboratories  
recently completed near Chi-  
cago. Service to users of con-  
crete is rendered through  
hundreds of field engineers  
working out of twenty-six  
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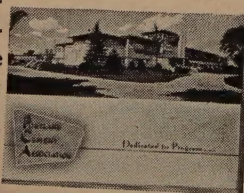
The Portland Cement Association conducts scientific research. Through research it strives to improve old products and methods and develops new products and methods, many of which involve patentable inventions which are freely dedicated to the public. It renders technical service. It carries on extensive promotional and educational work.

All phases of its activities are primarily designed to improve and extend the uses of portland cement and concrete for homes, highways, public buildings, farm construction, public works and a wide variety of purposes.

This great program of service to cement users, conducted by the Association's headquarter's staff and wide-

spread field organization, is made possible by the financial support of the member companies listed on this page. These companies manufacture a large proportion of the portland cement used in the United States and Canada.

Another important activity of the Association is to correlate and give leadership to the safety work conducted by the member companies in their plants. Send for free illustrated booklet, "*Dedicated to Progress*," which describes the research laboratories and the manifold activities of the Portland Cement Association. Distributed only in U.S. and Canada.



**PORTLAND CEMENT ASSOCIATION**  
111 West Washington Street, Chicago 2, Ill.

A national organization to improve and extend the uses of portland cement and concrete through scientific research and engineering field work

### PORTLAND CEMENT ASSOCIATION MEMBER COMPANIES

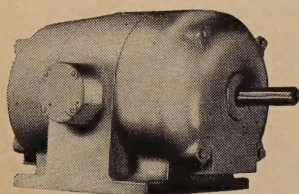
Aetna Portland Cement Co., Bay City, Mich.  
Alabama Division, Ideal Cement Co., Mobile  
Allentown Portland Cement Co., Catasauqua, Pa.  
Alpha Portland Cement Co., Easton, Pa.  
Arizona Portland Cement Co., Rillito, Ariz.  
Arkansas Division, Ideal Cement Co., Little Rock, Ark.  
Ash Grove Lime & Portland Cement Co., Kansas City  
The Bessemer Limestone & Cement Co., Youngstown  
British Columbia Cement Co., Ltd., Victoria, B. C.  
California Portland Cement Co., Los Angeles  
Canada Cement Co., Ltd., Montreal  
Colorado Division, Ideal Cement Co., Denver  
Consolidated Cement Corp., Chicago  
Kansas Division, Fredonia  
Michigan Division, Jackson  
Coplay Cement Manufacturing Co., Coplay, Pa.  
Cumberland Portland Cement Co., Chattanooga  
Dewey Portland Cement Co., Kansas City  
Dragon Cement Co., Inc., New York  
The Diamond Portland Cement Co., Middle Branch, Ohio  
Federal Portland Cement Co., Inc., Buffalo  
General Portland Cement Co., Chicago  
Florida Division, Tampa  
Signal Mountain Division, Chattanooga  
Trinity Division, Dallas  
The Glens Falls Portland Cement Co. Glens Falls, N.Y.  
Green Bag Cement Division, Pittsburgh Coke and Chemical Co., Pittsburgh  
Gulf Division, Ideal Cement Co., Houston  
Hawkeye-Marquette Cement Co., Des Moines  
Hercules Cement Corp., Philadelphia  
Hermitage Portland Cement Co., Nashville  
Huron Portland Cement Co., Detroit  
Keystone Portland Cement Co., Philadelphia  
Kosmos Portland Cement Co., Louisville  
Lehigh Portland Cement Co., Allentown, Pa.  
Lone Star Cement Corp., New York  
Longhorn Portland Cement Co., San Antonio  
Louisiana Division, Ideal Cement Co., New Orleans  
Louisville Cement Co., Louisville  
Manitowoc Portland Cement Co., Manitowoc, Wis.  
Marquette Cement Manufacturing Co., Chicago  
Medusa Portland Cement Co., Cleveland  
The Missouri Portland Cement Co., St. Louis  
The Monarch Cement Co., Humboldt, Kan.  
Monolith Portland Cement Co., Los Angeles  
Monolith Portland Midwest Co., Los Angeles  
National Cement Co., Birmingham  
National Portland Cement Co., Philadelphia  
Nazareth Cement Co., Nazareth, Pa.  
Nebraska Division, Ideal Cement Co., Omaha  
North American Cement Corp., New York  
Northwestern Portland Cement Co., Seattle  
Northwestern States Portland Cement Co., Mason City, Iowa  
Oklahoma Division, Ideal Cement Co., Oklahoma City  
The Olympic Portland Cement Co., Ltd., Seattle  
Peerless Cement Corp., Detroit  
Penn-Dixie Cement Corp., New York  
Petoskey Portland Cement Co., Petoskey, Mich.  
Pittsburgh Plate Glass Co., Columbia Cement Division, Zanesville, Ohio  
Riverside Cement Co., Los Angeles  
San Antonio Portland Cement Co., San Antonio  
Southwestern Portland Cement Co., Los Angeles  
Spokane Portland Cement Co., Spokane  
The Standard Lime & Stone Co., Baltimore  
Standard Portland Cement Division, Diamond Alkali Co., Cleveland  
St. Mary's Cement Co., Ltd., Toronto  
Superior Cement Division, New York Coal Sales Co., Columbus, Ohio  
Superior Portland Cement, Inc., Seattle  
Three Forks Division, Ideal Cement Co., Butte, Mont.  
Union Portland Division, Ideal Cement Co., Salt Lake City  
Universal Atlas Cement Co., New York  
Valley Forge Cement Co., Catasauqua, Pa.  
Volunteer Portland Cement Co., Knoxville, Tenn.  
Whitehall Cement Manufacturing Co., Philadelphia



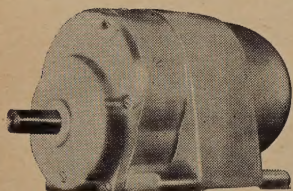
CUT OPERATING COSTS  
WITH COOLER RUNNING

## ELECTRA MOTORS

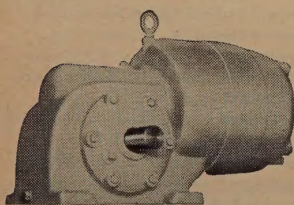
AVAILABLE NOW  
UP TO 75 H. P.



STANDARD — MOTORS  
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PARALLEL SHAFT—GEARMOTORS  
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## Trends . . . in Finance and Business



• **Safety Pays Off** — Workers employed by member companies of the National Safety Council had the safest year on record in 1952. They had fewer on-the-job accidents and the ones that did occur were less serious. Industrial injury rates for 1952, the safety group reports, showed a substantial reduction in both frequency and severity, with 31 of 40 basic industry classifications reducing frequency rates and 25 reducing severity rates.

The average accident frequency rate for employes in all industries submitting company reports to the council, based on the number of disabling injuries per million man-hours, was 8.4 in 1952 — a reduction of seven per cent from the previous year. The communications industry again led all others by turning in the lowest employe frequency rate. Its rate was 1.61, a reduction of 10 per cent. Electrical equipment ranked second with 3.38, followed by the automobile industry with 3.62.

At the other end of the safety ladder, lumbering stayed at the bottom of the frequency list last year with a 35.48 rate, but this represented an 18 per cent reduction from 1951. Underground coal mining was again in the next-to-last position with a 33.00 rate, and mining, other than underground coal, was third from the bottom, just below marine transportation.

• **Trailer Coach Loans** — One of the fastest-growing types of consumer credit loans these days involves the purchases of trailer coaches, and, according to the Trailer Coach Manufacturers Association, this paper is proving exceptionally sound and profitable for the nation's commercial banks. The association reports that there is now about \$325 million in trailer coach paper outstanding,

adding that the figure will probably rise to nearly \$400 million by the end of this year.

A recent TCMA survey of banks already handling "mobile home" loans indicates that loss ratios are remarkably low. Out of 274 replies to the survey, 255 lenders reported either no loss or "negligible" loss on such paper. Fifteen reported losses of less than 1/2 of one per cent. The largest lending institution participating in the survey held \$31 million in trailer coach paper, and its loss ratio was placed at 1/8 of one per cent.

Partly accounting for the boom in trailer coach loans, reports the association, is the fact that 700,000 families, totaling nearly two million individuals, now live in mobile homes. Retail sales of such units last year amounted to \$319 million with production at 83,400 units. So far this year production is running six to seven per cent above last year's level. Currently, trailer coach loans average \$3,000 for new vehicles and \$1,400 for used units with an average maturity of 36 months.

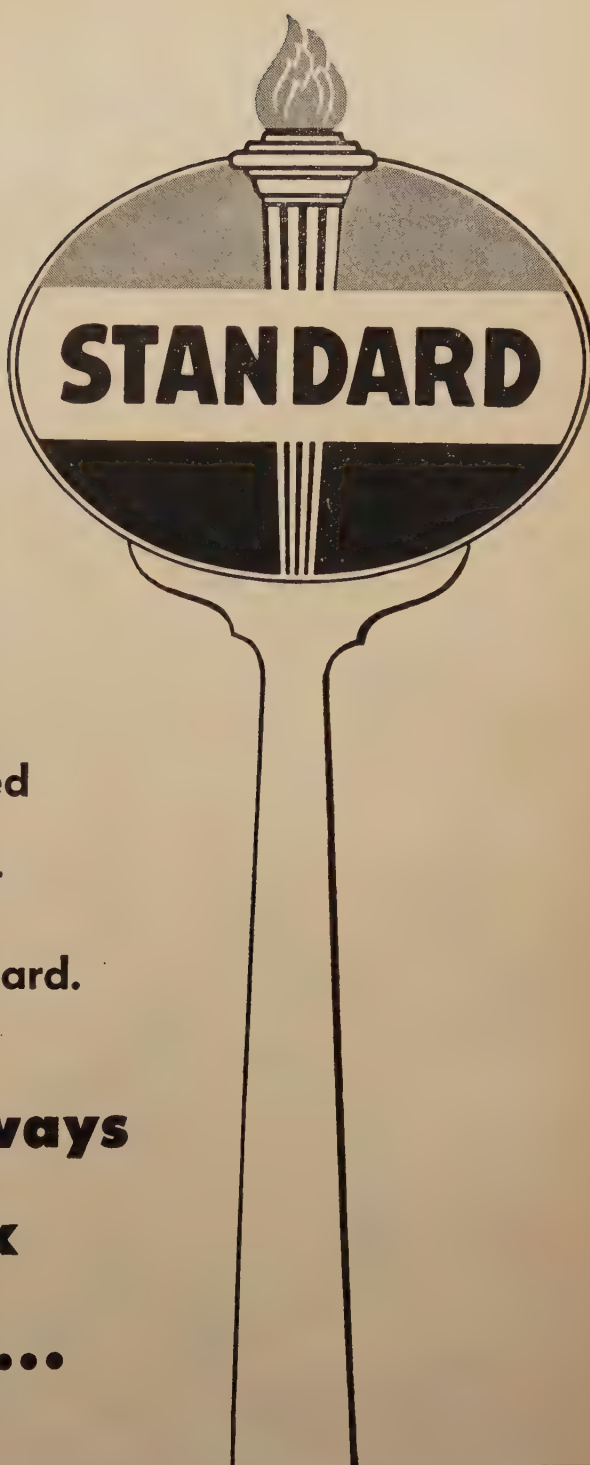
• **Pay Rates Rising** — One group of employes have been receiving steady pay raises in recent years, notably without the help of collective bargaining or government intervention. They are corporation board directors, who, according to a study by the National Industrial Conference Board, are now being paid in most cases at least \$1,000 to \$2,500 a year, compared with a mere \$20 annually a few years ago.

The conference board study, which covered 233 manufacturing corporations, found that there is now a trend toward placing directors' compensation on a retainer basis. Fifteen years ago only six per cent of a sample group of corporations used this

(Continued on page 27)

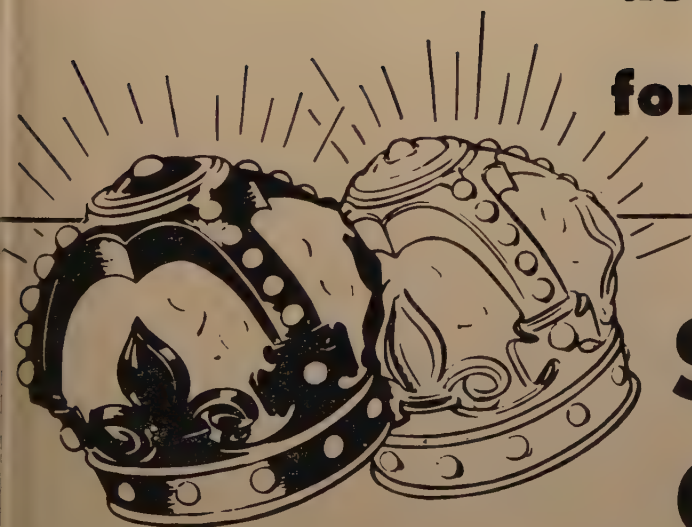


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# Our UNreasonable Facsimiles!

By JAMES E. McCARTHY

***A distinguished scholar asks, "Has cold and calculating self-interest replaced honesty in human relationships?"***

RECENTLY, while listening to the radio, I heard an announcer go through a familiar routine. The sponsor had an article to give away. All that I had to do to get the item was to send in my name and address, together with a box-top, and a "reasonable facsimile."

As it happens, I sent neither, but I did think about the words, "a reasonable facsimile." I left my mind to play with some of the broader implications of that word, "facsimile."

I began to wonder if in many of our dealings with one another we are not using facsimiles—some of them far from reasonable—instead of genuine qualities of mind and heart. I wondered further, if this substitution has not come about for the simple reason that a kind of Gresham's law seems to be operating in the

field of human relationships. In this matter of ethics, for example, the debased currency of self-interest has largely driven into hiding the honest gold of unselfish devotion to the public interest and welfare. More and more the give and take of human intercourse is not based on personal and professional integrity, but upon a cold, calculating, and completely pragmatic answer to the question, "Can I cut a short corner and get away with it?"

## ***"His Word Is His Bond"***

There was a time when the highest compliment one man could pay another was to say of him, "His word is as good as his bond." That compliment is now so rare as to be obsolescent. Painful and expensive experience has proved the folly of accepting unsupported assurances on faith alone, and, as a matter of fact, suggests the wisdom of carefully scrutinizing the worth of the bond that is tendered as security.

I am not going to get sentimental over the good old days. However, I believe that when even the most cursory investigation of the past reveals fundamental differences between the standards of our ancestors and our standards, and when so many of our own standards seem cheap and shoddy by comparison,

the decline and the reasons for it are historical phenomena which should be studied.

One illustration of the change that has taken place is suggested by certain malodorous innuendos arising out of recent Congressional investigations. But, first, I want to go back five and one-half centuries to a time when European culture and morals are popularly supposed to have been at their lowest ebb, to the time of the building of the Cathedral of Seville in Spain. How did that magnificent structure come to be built? In the words of the Dean and Chapter of Seville, they met in the Court of the Elms, on the eighth day of July in the year 1401, and solemnly resolved: "Let us build us a church so great that those who come after us may think us mad to have attempted it."

## ***"What's In It For Me?"***

The church took 150 years to build. It was a communal enterprise that made an ideal a reality. Insofar as records show, there was no necessity for legislative investigation of those who provided materials and labor. There is no evidence that any member of any one of the several generations that helped build the cathedral ever asked, "What is there in it for me?" or that he got anything

NOTE: The accompanying article has been adapted from an address by the author delivered before an awards dinner culminating a 15-week Foremanship Development program conducted by the University of Notre Dame. The author is dean of the university's College of Commerce. The development program, conducted annually for freshmen from northern Indiana industries, includes courses in basic economics, human and labor relations and communications skills.

★ The Declaration of Independence, the finest work of statesmen conscious of the deep trust imposed in them  
Mosler Safe Co. photo



"on the side" and salved his conscience with the soothing balm, "I can get away with it."

The cathedral is not utilitarian by Twentieth Century standards. Contemporary engineers and accountants would shudder at its wastefulness and inefficiency. But the ideal which inspired the cathedral represented qualities of mind and heart that are rapidly disappearing in our age—an age which conducts an increasing number of its affairs with a vision that looks for an immediate profit—and nothing else.

### *The Value of "Front"*

Much nearer our own times are the events that attended the administration of Warren G. Harding. During the years that Harding was coming up through Ohio politics Harry M. Daugherty was on the sidelines watching, advising and dreaming. I have no doubt that Daugherty had a genuine fondness for Harding. But he was also a master politician, and he knew the value of what we call "front." As a matter of practical politics, he knew that there is a difference between a good candidate and a competent public servant. Now, Mr. Harding was a man of extraordinary appearance and bearing, impressive on the platform with a faultless "front." On the authority of no less an historian than Mark Sullivan, Daugherty was often heard to say, "What a wonderful looking president he would make."

The implied distinction is interesting, for Daugherty did not say, "What a wonderful president he would make." In other words, one of

the most influential political bosses in the country was quite content to groom a candidate for the presidency, not because of his fitness for office, but because he looked the part. I intend no disrespect to a kindly and well-intentioned man when I say that in the early 1920's the American people had not so much a president as a "reasonable facsimile, thereof." Meanwhile, what Mr. Daugherty got away with, you may read for yourself in the dozen or so volumes entitled "Investigation of the Attorney-General's Department."

I repeat that I am not going to paint the past as a Utopia. I cannot, for example, condone the cheapness in which human rights were held under the Roman Empire, the violence and turmoil of Quattrocento Italy, the extravagance and cruelty of what is mistakenly called "Merry England," nor the economic and political injustices that brought about the French and American Revolutions of the late Eighteenth Century. But notwithstanding their shortcomings, preceding ages had in large measure a quality which we have largely lost. Let us call it honesty! There was a probity that characterized man's private and public actions, an insistence upon good workmanship, and pride in good craftsmanship.

There was a time when scholars were truly scholarly, when their lives were dedicated to a search for the truths that underlie the physical universe. Men of science were avid and conscientious in their unflagging efforts to push back the horizons of scientific knowledge, and they

counted no cost too great. Statesmen were vitally conscious of the trust imposed in them. They were not guided by expedient, but by principle. Americans need go no further for an example of this consciousness than our Declaration of Independence, to which the signatories pledged "our lives, our fortunes, and our sacred honor."

There was a time when workmen were artists, for an artist, it has been well said, is one who never willingly or knowingly does less than his best, and each was judged by the skill and perfection that he achieved in his particular occupation.

But a deterioration of standards has set in. Too many scientists became charlatans and quacks—the scholars pompous pedants, and the statesmen self-seeking politicians. The workman lost his pride in his honest craftsmanship. He became a purveyor of goods and services that the consumer bought at his own risk. His motto was "Caveat Emptor."

### *Apathetic Public*

Meanwhile, what happened to the public? Sad to say, it deteriorated too. It no longer demanded the best and the genuine, but was satisfied with facsimiles that could not be called reasonable by any stretch of the imagination. I hold no brief for the practitioners of "getting away with it." But neither can I work much sympathy for a public that has docilely accepted a watering of standards of morality, conscience, good breeding, good workmanship, and personal responsibility. The truth is that the public, because of moral lethargy, has become a party to the crime of which it is the victim!

Instances of the spread of the "Get away with it" cult abound in every sphere of activity. We have politicians who have nothing but contemptuous disregard for the welfare of the governed. There was once a President of the United States, Grover Cleveland, who said, "A public office is a public trust." In our day, we have heard of a man who never held elective office, but who wielded tremendous power in the disbursement of the taxpayer's money, remark, "We will tax and tax a spend and spend, and elect a elect." The swing to bureaucracy that makes such an attitude possible reflects a callous indifference to the



Workmen were once artists, who never did less than their best

Harold M. Lambert

(Continued on page 42)





## YOU, TOO, CAN

## LEARN TO RELAX!

By **DONALD A. LAIRD**

Sure, they say, relax and live longer, but how does one learn to relax? Here, a well-known psychologist tells how you can begin learning

EVERYONE has been told many times that he would be happier and would live longer if he simply learned to relax. It's an excellent idea, except for one little catch. How does the average fellow learn to relax? It's not the easiest thing in the world by any means, but one thing psychologists do know: you learn to relax by relaxing, just as you learn to walk by walking.

What many people really need is some encouragement to relax every often throughout the day. And one good method is to establish what might be called your own personal "relax signals" that you can't pass up without taking a few minutes for a breather.

A medical technician, who has learned this trick, signals herself to relax every time she picks up her pen or pencil. She adopted this reminder to relax after noticing that she was holding her pen so tightly that her finger joints bent backwards. She put a tag of adhesive tape on her pen, and wrote "Relax" on the white strip. A dozen times an hour this

"signal" reminds her to calm down and take it easy.

There are all kinds of effective "relax signals." A junior executive decided he was smoking too much, so he made it a signal to relax when he reached for a cigarette. He relaxed more and smoked less. A typist makes a practice of relaxing every time she takes a sheet of paper from the typewriter. An executive who had the habit of thumping the table so hard it jumped, dropped his arms and let them dangle restfully every time he sat in a chair. This quickly cured him of his jumping-jack affliction, for previously he had been in the habit of excitedly bounding out of his chair a dozen times an hour.

### *Relax "Signals"*

Many people have found that travel can be far more restful if they make it a signal to relax when sitting down on the bus or train. Many men are in the pleasant habit of going to sleep until further notice while in the barber chair.

To make relaxing a worthwhile habit, it is wise to "over-practice" at the start. If you had practiced relaxing as much as, say, walking, it would be just as natural to relax as to walk. But few of us ever really learn to relax, so we go on burning ourselves out week after week.

Something that is repeated often during one's daily routine makes a good signal to relax. Think, for a moment, about your own daily routine. What common activity could be used as a signal to remind you that it is time to slow down? Some people may need two or three signals to become a Grade-A relaxer.

An over-dose of relaxing will certainly not harm you, although it may slow down your thinking if you are doing mental work. A college student discovered this when he adopted as his "relax signal" the turning of each page of his home work. He was a stunning success as a relaxer, even though he did flunk most of his courses!

That student should have practiced differential relaxing; that is,

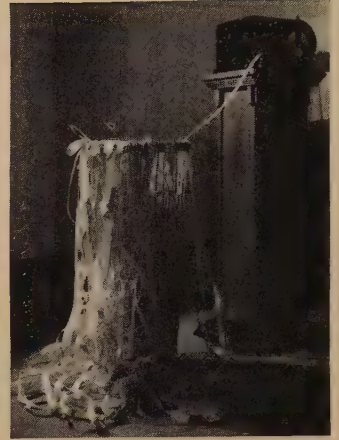
(Continued on page 35)



# *The Old Market*

## *Debate: Perfect Timing*

### *V. Perfect Selection*



Ewing Galloway

“Mere mortals cannot bring to investment a foresight comparable to perfect hindsight! But even within the limits of normal human intelligence, the results of selection, as compared with timing, are very substantial”

**B**Y and large, the stock market is a place where incomes are bought and sold. Therefore stocks have a value based on their present and prospective income-producing or dividend-paying ability.

In this respect they are not different from income-producing real estate or small businesses. One property may sell at \$10 a front foot, another at \$100, or \$1000. The difference is roughly proportional to the actual or potential income-producing ability of the property. The situation is similar in other kinds of income-producing property.

The dividend-paying ability of corporations as a whole, of companies in various industries, and of individual companies, changes con-

stantly. Also, investors sometimes are influenced by hopes and fears—justified and unjustified. Thus the trend of stock prices depends not only on dividends but on the prevailing emotions of investors.

Everything that affects the present and future of a company to pay dividends influences the value of its stock, should influence its market price, and sooner or later probably will.

#### *Long-Term Growth*

Because our country is growing in population and increasing its standard of living, the overall volume of business done has been increasing at a rate of about 3 percent to 4 percent per annum. Some businesses decline (harness-making); others grow (oils). But general stock price averages tend to reflect the over-all growth as new companies replace old ones and established companies see their busi-

ness grow with increases in population and productivity.

How the price of stocks reflected the growth of the country is shown in Chart 1. It shows an Industrial Stock Price Index from 1871 through 1952. During this 82-year period the Index increased from 13.7 to 213.7 for a total gain of 1,500 percent which amounts to 3.4 percent a year compounded. On the same chart is shown an Index of Industrial Production which rose from 8 to 234, a gain of 2,925 percent—or 4.2 percent a year compounded.

At times stock prices rise at a faster-than-average rate. For example, during the period 1915 to 1929, the Stock Price Index shown on Chart 1 went from 35.2 to 195.7—an annual increase of 12.4 percent compounded. From 1932 to 1952 it increased from 30.2 to 213.7—an annual increase of 9.8 percent.

One important reason for the sharper-than-average advances

When COMMERCE MAGAZINE reported recently that \$100 perfectly invested since 1915 would be worth \$379 million today, readers asked for details. The source is this lucid discussion of investing, digested from “Investment Companies,” published by Arthur Wiesenberger & Co. of New York.



stock prices is inflation. Most economists hold that this occurs when the supply of money increases faster than the supply of goods and services. "Money" as used in this sense includes bank credit, as well as currency. Banks create deposits when they lend money. This converts future income to present buying power, which enlarges the demand for goods and services and tends to raise prices.

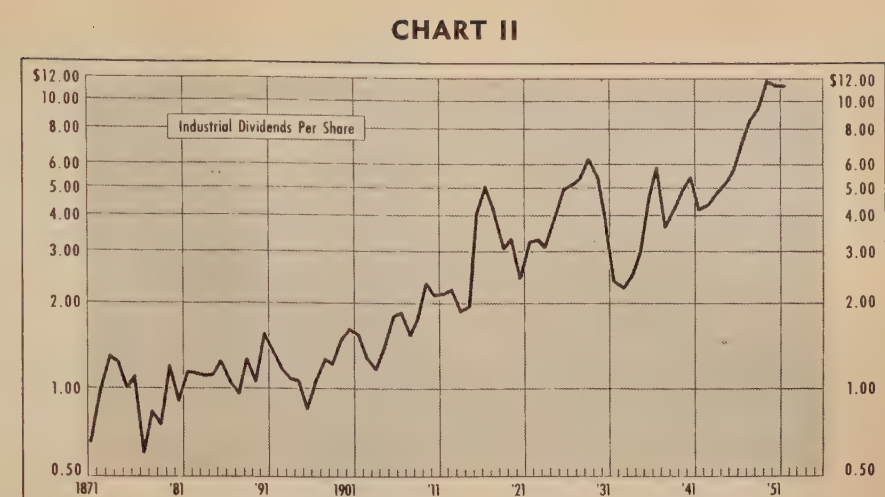
While the inflationary period lasts, corporate earnings and dividends expand, investors tend to become optimistic and higher stock prices result.

Under the stimulus of high demand and the production of goods and services tends to increase until it may outstrip the money supply. When money becomes "dear" and goods cheap; deflation follows. Deflation too is reflected in stock prices and dividends.

### ***Ups and Downs***

The economists' term for ups and downs in business is "business cycles." Since the early years of this century, a great deal of research has been done on business cycles.

In each cycle, there are years in which business "gets better," and earnings and dividends increase. Then come lean years of depression when business activity, earnings, and dividends decline. Of course, as earnings and dividends increase, stocks



Source: Standard & Poor's and Cowles Commission data. Year-end yield percentages were multiplied by stock prices to derive dividends per share.

are worth more to investors, and prices tend to rise. Likewise, when dividends and earnings decrease, prices tend to decline. However, in spite of deflationary setbacks, the record of 82 years shows that the typical holder of a share in a well-established industrial company may hope to experience an average increase of 3.4 percent yearly in the value of his holdings. At that rate — without taking his dividends into account — the market value of his stock would double every 21 years.

Chart II shows per share dividend payments, by years, of industrial corporations since 1871. It strikingly illustrates the recurrent rise and fall

of dividends discussed above. Note the increase in dividend payments from \$2.45 in 1921 to \$6.36 in 1929 — a gain of 160 percent. This was importantly responsible for the rise of stock prices from 42.0 to 195.2, or by 365 percent. Again, from 1932 to 1937 dividends increased two-fold and stock prices increased five-fold. The stock price increases are shown in Chart I.

The reverse condition — a declining economy — will be noted in the period from 1930 to 1932 when dividend payments went off by 56.3 percent and stock prices by 80.4 percent. Over the entire period of 82 years, the average rise in dividends was 3.5 percent a year compounded.

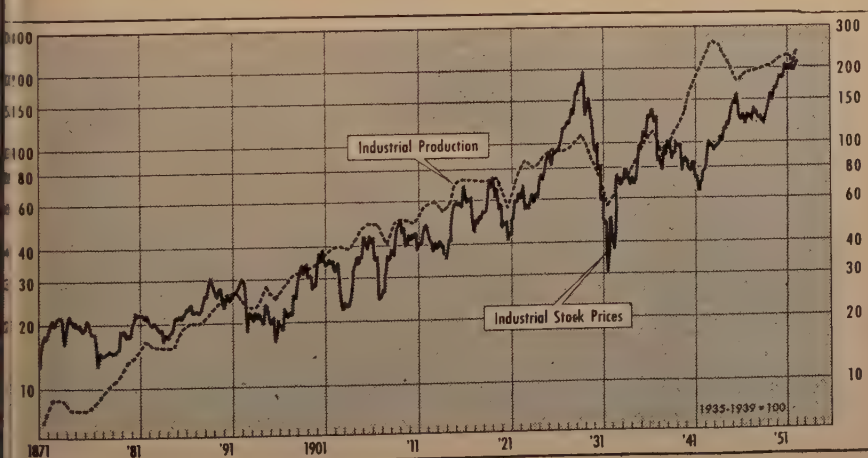
### ***Hopes and Fears of Investors***

Investors are people, not calculating machines. They tend to be most hopeful when there has been a long period of business improvement and most gloomy when a recession is well advanced. As a result, and to their surprise and dismay, they frequently overestimate or underestimate the value of stocks at times when the trend is about to turn. Therefore, stock prices often rise more than increased dividends warrant and fall more than the declines in dividends justify.

Chart III on page 30 shows the effects of these variations in investor sentiment. It charts the ratio of stock prices to dividends, showing how much investors were willing, at different times, to pay for a dollar of dividend income. If stock prices au-

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**CHART I**



Source: Standard & Poor's Industrial Stock Price Index 1871-1952; Warren M. Persons Industrial Production 1871-1918; Federal Reserve Board Index of Industrial Production 1919-1952.

This chart of industrial production shows a faster rate of ascent than over-all economic growth of the nation because of the rapid industrial development of the country in the early years shown on the chart. Industrial stock prices in the period prior to 1900 do not show a comparable rate of growth because industrial stocks then constituted so unimportant part of the market.



Many firms are helping colleges today, but some attach so many strings to their gifts that no student ever benefits. So take heed if you . . . .



Northwestern University

## Want To Set Up A Scholarship

By P. H. DONALDSON, Jr.

**W**HEN the Lehigh Portland Cement Company recently established a \$20,000 scholarship program at Lehigh University, in nearby Bethlehem, Pa., the company spelled out the purpose of its philanthropic gesture in very simple English. "Business and industry," it declared, "need broadly trained men from which to draw professional, administrative and executive personnel. This need can best be met through higher education offered in private schools of broad cultural background and with modern technical facilities."

This statement, expressed in different ways by hundreds of other companies which have established college scholarships in recent years, is significant in that it marks a striking reversal in the average business-

man's attitude toward formal education. There was once a time when the self-made tycoon—bruised and battered, as he was likely to tell you, in the "School-of-Hard-Knocks"—regarded the college man as an upstart and his book-learning as an out and out liability in the practical world of business.

### Endorse "Book-Learning"

Today, the pendulum has swung far in the opposite direction. Business has not only recognized the value of book-learning, it is spending more than ever before to help deserving youngsters soak up all the book-learning possible.

Experts figure there are now some 75,000 scholarships, valued at \$15 million annually, available to young

Americans. Business firms, individually and collectively, are underwriting a steadily larger share of the total, with the result that today's ambitious youngster, if he is qualified and looks hard enough, can usually find the scholarship that will send him on the road to a university degree, now one of the best assurances of prompt and exceedingly well-paid employment!

It is, of course, a relatively easy matter for a business concern, a trade association, a labor union or, for that matter, a profitable Nevada gambling house (interestingly enough one of the most public-spirited scholarship underwriters in recent years) to set up an educational program. About all the benefactor needs is the cash to underwrite a scholarship and, thus equipped, he can write t



ability requirements pretty much on his own whim. As might be expected, this has led to an extraordinary variety of scholarships. Some have been established to provide specialist-trained personnel for a particular company; some have been set up to provide personnel for the entire industry; and some, it is worth noting, have been drawn up with such outlandish strings attached that hardly one youngster in a thousand can benefit from the scholarship. He may have a staggering I.Q. and an impressive string of "A" grades, but be flatly disqualified because his name is not Murphy or he does not live in the specified proximity to a particular railroad!

### Business Scholarships

Fortunately, most scholarships established by business concerns do not suffer from unreasonable riders. As a result, they are almost invariably utilized year after year by deserving youngsters. This year, for example, E. I. DuPont de Nemours and Company is giving 19 colleges \$500 each "to help them maintain their outstanding performance in training students majoring in chemistry." Some \$600,000 has been authorized for these and other DuPont scholarships. Another big scholarship underwriter, Union Carbide and Carbon Corporation, has selected 24 colleges to share in the company's educational fund, and Eastman Kodak has set up 17 chemical research fellowships and has contributed \$1,000 to each participating university to finance the studies undertaken by the fellowship recipients.

For several years Pepsi-Cola has staged a nationwide scholarship program benefiting thousands of potential Pepsi drinkers. This super educational campaign involves scholarship grants amounting to more than \$100,000 yearly.

Today's college-minded youngster can also look to trade groups and labor unions for help. To brighten the future of the sheep and goat industry in the Lone Star State, for example, the Texas Sheep and Goat Raisers' Association has set up a scholarship at Texas University providing for postgraduate work in the field. Meanwhile a group of electrical contractors around New York City have established a \$55,000 yearly scholarship program at Columbia

University. The recipients are sons of company pensioners, plus sons of members of Local Three of the International Brotherhood of Electrical Workers.

While most business-sponsored scholarships are frankly designed to provide badly-needed personnel, there is another important reason for the support being given private education these days. It is simply that the more industry contributes to the nation's schools and colleges, the less they will be influenced, and indeed controlled, by government financial support. As E. T. Gardner, president of the Gardner Board and Carton Company of Middletown, Ohio, expressed it in a formal statement marking the establishment of a permanent scholarship fund, "Our scholarships are restricted to private non-tax-supported institutions because we believe they need the kind

of memorial scholarship, offered annually at Illinois Tech in honor of William W. Crawford, the late president of Edward Valves, Inc. of East Chicago, Ind. The purpose of the scholarship: "To provide opportunity for young men seeking an engineering education."

### Common Enterprise

Northwestern University, one of the midwest's principal beneficiaries of company-sponsored scholarships, now has such grants from Merck and Company, Pure Oil, Abbott Laboratories, the Pacific Intermountain Express Company, Eli Lilly and Company, C. S. Hammond and Company, U. S. Rubber, and Edward Don and Company. Explaining Northwestern's extensive participation in business-sponsored scholarships, Dr. J. Roscoe Miller, president

### HOW BEST TO HELP COLLEGES!

There is one big problem that confronts many companies which would like to contribute their share to private education. Just what form of help do the various colleges throughout the country need and how can business best assist them in meeting these needs?

Today a new organization, sponsored by a group of well-known businessmen, is being set up in New York to provide business firms with just this kind of essential information. The organization, to be called the Council for Financial Aid to Education, will simply collect and pass along information; it will neither solicit nor distribute educational funds. The group, to be headed by Dr. Wilson Compton, former president of the State College of Washington, expects to establish New York headquarters by the middle of September.

of support these scholarships provide. It is our modest contribution to educational freedom, without which our other American freedoms would not long survive!"

Geographically, the opportunities for midwestern students are among the best in the nation. At the Illinois Institute of Technology, for example, business firms this year are underwriting 27 graduate and undergraduate scholarships. In addition, they are providing indirect scholarships for 59 students through Illinois Tech's "work-and-learn plan," under which students spend one semester in school, the next working for a company to earn money to pay for tuition, books, food, lodging and other college expenses.

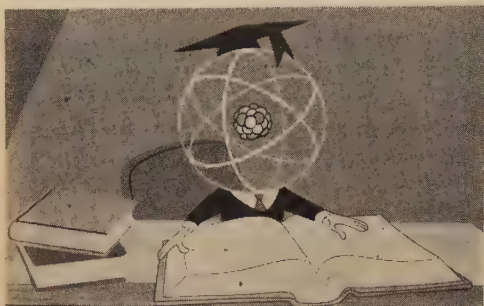
Another type of educational grant is the William W. Crawford me-

of the university, recently declared, "The increasing amount of cooperation between business and higher education in modern America is a sign of a growing national maturity that has passed unnoticed by many. . . . Business and private education are but two facets of a great common enterprise—the American experiment in freedom. The success of this experiment depends in large part upon how effectively these two elements of society work together for the common good of our nation and humanity at large."

DePaul University, meanwhile, enjoys several scholarships founded by labor unions, including the Milk Wagon Drivers. Chicago's seven-year-old Roosevelt College has scholarships and other educational grants from such firms as Lane Bryant, Gen-

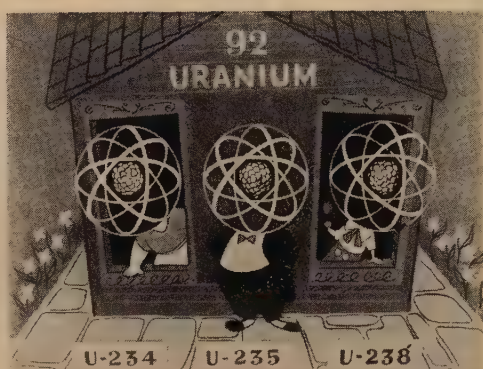


## A IS FOR ATOM



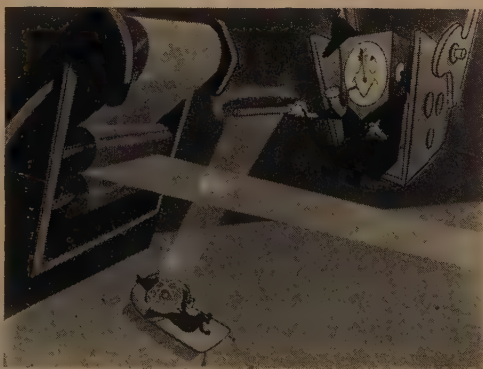
"A IS FOR ATOM" is the name of a new, animated cartoon movie, sponsored by General Electric Co., which explains the development of atomic energy and its likely applications. Star of the film is earnest "Dr. Atom."

THE THREE natural isotopes of Uranium are depicted as members of the Uranium "family" in the full-color, 16 mm. movie, which is being made available for use by business concerns and schools in Midwest.



TYPICAL of the "families" in "Element Town" is the family of tin. The cartoon film emphasizes the potential applications of atomic energy in the fields of medicine, agriculture, and industry, has no "commercials."

ONE APPLICATION of atomic energy shows "Private Eye - sotopes" (radio-active tracer and Geiger counter) maintaining uniform thickness of sheet aluminum. Film may be borrowed from G-E film library, 840 S. Canal St.



eral Foods, National Broadcasting Company, Socony Vacuum Oil Company, Commonwealth Edison Company, Public Service Company at the Peoples Gas Light and Coke Company, Edward Don and Company, Sears Roebuck and the Continental Illinois National Bank and Trust Company.

As a matter of fact, most experts agree that there is no shortage of college scholarships, but actually more than enough to go around. The catch is that some scholarships are highly specialized, and others have been shaped to fit the eccentric demands of the donor rather than the needs of students.

One example is the scholarship that is available to the Iowa resident who can prove he lives the closest to the tracks of a particular railroad. Another queer scholarship was set up by a customs clerk named William Stanislas Murphy. Any worthy young man can avail himself of a regular stipend—provided his name is Murphy! And a wealthy lady named Mabel Wagnalls Jones left \$2.5 million to a fund that would enable children from the crossroad town of Lithopolis, Ohio, (population: 228) to go to college. There were only 20 people eligible last year and 15 are now receiving scholarships.

### Strange Scholarships

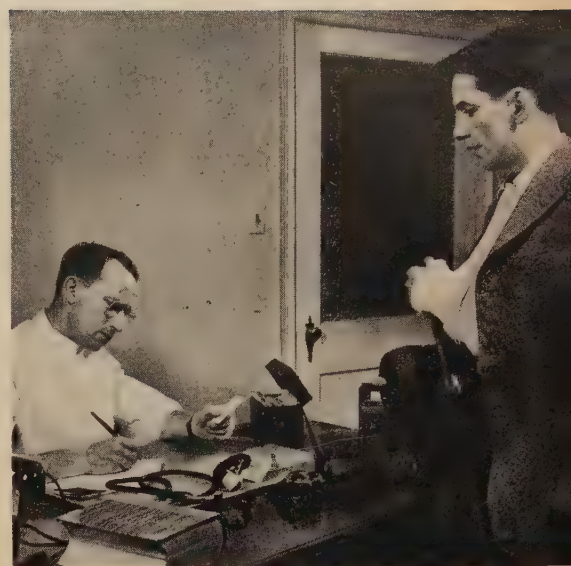
Stories of strange scholarships would fill a sizable book, but the important thing is this: There are many scholarships, so in establishing one, a company is wise to make sure that it can and will be used. Otherwise it may cause more annoyance than good!

"Businessmen planning to set up scholarships should not attach qualifications which make it impossible for schools to participate," advises Paul E. Elicker of the National Education Association, which has headquarters in Washington, D. C. "mean specific requirements which would deny these scholarships to some students who are qualified academically. All scholarships should be free from obligations, implied or otherwise, that may be placed upon recipients. One good way of being certain that scholarships will be acceptable is to refer them to our association. Through experience we

(Continued on page 36)



Here is a simple four-step plan that can help you avoid "phony" and borderline compensation claims that now rob industry of many thousands of dollars annually



Harold M. Lambert photo

# Are You A Victim Of "Compensationitis"?

By **JOHN E. EICHENLAUB, M. D.**

**A** MERICAN business is being stuck too often for big settlements under workmen's compensation that aren't really fair. Losses are paid that the worker would never have had to suffer himself: losses for compensation neuroses, for out and out fraud and for excessive medical care.

To a certain extent, these extra costs are an unavoidable part of workmen's compensation. But if you understand the problem there are several simple steps you can take to keep it under control.

Most "phony" claims aren't deliberate cheating in any sense of the word. Take a typical case—Harvey, the truck driver who "sprung" his back lifting a piece of pipe. His foot slipped slightly on the wet ground, and he complained immediately of intense pain. The doctor checked Harvey and found typical backstrain, very painful for a few days, but probably not bad enough to keep him off work for more than two weeks.

Two weeks? It was six months be-

fore Harvey limped into court to hear the final judgment on his case and he still groaned with every motion until a lump sum cash settlement was granted. Then, he did a merry jig and hasn't had an ache or pain since.

## "Case Screams Fraud"

A case that screams fraud, you say? Yes, but there was no fraud. Harvey was an insecure, henpecked man. Given a compensation check every week, he found that he could keep his self-esteem without struggling to keep up with the rest of the workers. And for the first time in years he got solicitude and loving care instead of cracks of the whip from his wife. Before the matter had boiled up to the conscious level, his mind had decided it—Harvey was going to stay sick. He had too much to gain—too much in emotional values critically needed, although in money he was really losing. Without the lump sum settlement, which let him eat his

cake and have it too, he would be totally unable to work today. Really unable, not just pretending.

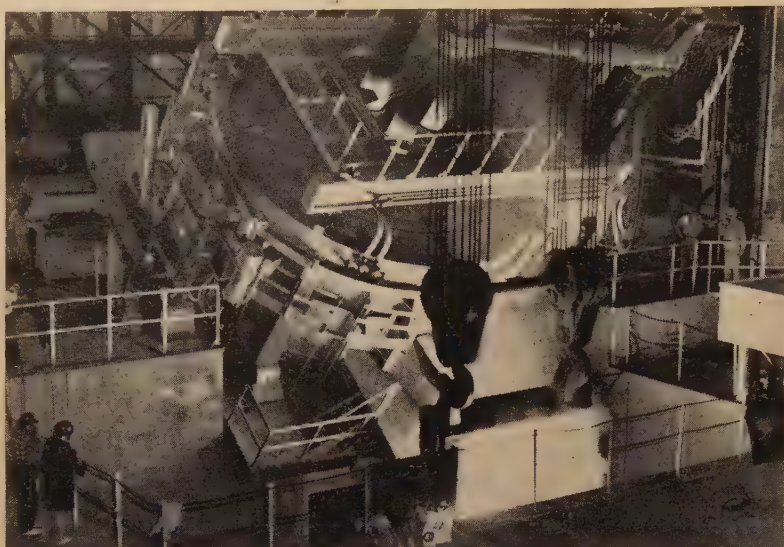
Probably half the excess compensation losses paid come from people like Harvey. A good share of this loss can be prevented by four relatively simple steps.

First, prospective employees should be screened for personal insecurities and certain kinds of family troubles. Lack of self-confidence and ambition and other evidence of insecurity usually can be easily spotted. Nagging wives, unwanted children, and unwelcome in-laws (or other household hangers-on) are compensation poison less easily detected. The worker really hates to give these people money, but as long as he's healthy he has to do so to get the love and respect he needs. When he gets hurt on the job, this problem is solved. A few tactful questions about a prospect's household, asked in a manner which encourages his confidence, will be enough to touch off a reveal-

(Continued on page 45)



## BUSINESS SIDELIGHTS



**THE NATION'S** coal, steel and electric utility industries could make or save many millions of dollars, contends Bituminous Coal Research, Inc., if open hearth furnaces, which now make 89 per cent of U. S. steel, were replaced by electric furnaces such as this 100-ton "Lectromelt" furnace. The research group claims, on the basis of a Battelle Memorial Institute study, that such a switch-over could (1) cut low-carbon steel making costs by up to \$3.15 per ton, (2) increase national electricity output by 12 per cent, and (3) increase coal production by 25 million tons a year. Open hearths are fired primarily with oil; electric furnaces by power usually generated from coal.



**PICTURES** don't lie! This composite photo, says American Waterways Operators, proves our inland waterway fleet now dwarfs the biggest ocean liner in lengthwise dimensions. The tow of eight tank barges carries 9 million gals., measures 1,170 feet. "Queen Elizabeth" measures 987 feet at water line.



**TOY SALES** this year will hit a record-breaking \$900 million, 10 per cent above last year, predicts the Toy Guidance Council, which adds that parents are now spending about \$20 annually on toys for every child under 14. Barring a recession, the toy group believes retail sales will hit \$1 billion by 1954.



**THE DAIRY** cow, after years of being outglamorized by her corn-fed cousin, the beef steer, will again receive due recognition at the International Dairy Show to be staged in Chicago's International Amphitheatre from October 10 to 17. Some 2,500 dairy cattle will vie for more than \$30,000 in prizes, 56 trophies. Daily features will include a rodeo.



Now that the shooting war is over, business' old overseer, the NPA, is converting itself into a brand new federal agency whose sole job will be to help business. So . . .

# Meet The Business Services Agency

By JACK ROBINS

**W**HAT has happened to the businessman's old, and not so popular, government overboard, the National Production Authority? Reduced greatly in importance by the Eisenhower Administration's policy of relaxing government controls over business, what, if any, excuse can it now have for continuing after a Korean truce ends nearly three years of active fighting?

The answer, in a nutshell, is that, unlike old soldiers, old government agencies never seem to fade away. About the time this article appears, NPA is scheduled to convert itself, in caterpillar-to-butterfly fashion, into a brand new agency nestled in the Commerce Department's outsized Bureau of Foreign and Domestic Commerce. The butterfly will be called the Business Services Agency.

## Standby Authority

The cessation of active hostilities did not, of course, eliminate the need for a high state of national preparedness nor for the continuance of government agencies designed to facilitate it. Congress recognized this in voting a year's extension of the Defense Production Act. With underlying world tensions scarcely affected by the turn of events, at the very least standby authority was needed by the new administration.

And with DPA extension, Congress gave the Commerce Department authority to continue NPA, which already had been reduced from an agency employing thousands during the peak of the Korean mobilization to a skeleton organization of something over 300 employees last July 1.

Exercising his authority, Commerce Secretary Sinclair Weeks ordered a 30-day extension of the Fair Deal agency, and later — while Congress was making up its mind on appropriations for his department — extended its life an additional 30 days.

However, Weeks had his own plans for the agency. While the Korean truce looked ever closer as he made these plans, the metamorphosis he projected was keyed primarily to making it an instrument of Republican policy toward business. There were certain necessary NPA functions, such as allocations related to defense and atomic energy developments, which remained. These, though reduced greatly in importance, he wanted to continue. For the rest, he wanted to adapt and improve some of the features of the old NPA industry advisory committees in a way that would carry out the Republican determination to give business a greater voice in the running of the economy.

In short, this was to be more than just a change of name. As Weeks described it to a group of business executives, "This is not adding another leg to the federal centipede. This is not enlarging overall bureaucracy, . . . (but) consolidating several related current functions into a much more compact and efficient unit which will produce service that will help business to earn more money, employ more workers and, through a knowledge of better methods, to sell more and better goods at cheaper prices."

## Functions Described

Although he was trimming the old Truman budget in virtually every other branch of his sprawling Commerce Department in keeping with economy pledges, Weeks believed this new activity deserved more than the previous administration had devoted to providing service for business. He asked Congress for \$6 million for the Business Services Agency, which inevitably is destined, no doubt, to become known by its initials, BSA. The House cut the request in half; the Senate increased it to \$5.5 million, and in the final conference Weeks was given a compromise total of \$4.2 million.

Delay until early August in the decision on funds prevented the



Commerce Department from making detailed plans for BSA, but the \$4.2 million now assures funds for about 20 industry divisions to carry out the new activities envisioned.

Weeks describes the functions of BSA as follows:

1. Continue production directives and allocations of materials for defense production and atomic energy development. These control remnants will be administered in the same fashion as under NPA before the switchover.

2. Service the nation's industries with specific information.

3. Seek the cooperation of all industries in a mobilization base and "post attack" program. The Commerce Department hopes to work out a system under which industries themselves will amass data required by the government without the laborious reporting procedures of the past.

4. Keep up to date industry plans for a crisis so that operating procedures and the nucleus of an operating agency will be ready for quick use in the event of an emergency.

5. Act as the authoritative voice of industry and business, ready to express its opinion to the president and Congress when called on, regarding both legislation and administrative problems.

In pursuance of the latter objective, plans are to install as chairmen of the various divisions for iron and

steel, chemicals, electronics, forest products, consumer durables, and the like, outstanding executives from the industries themselves, to serve without compensation for six months or a year, with the post being rotated.

### "A Business Administration"

This scheme makes it unnecessary for a business man to resign his job to serve the government, and allows him to continue receiving from his company any salary, bonus, pension or other benefit without interruption. Naturally only men who have the reasonably unanimous confidence and backing of their industries will be appointed. Backing them up will be career experts of the Commerce Department, holding jobs ranging downward from deputy or assistant to the chairman.

This whole new program is a reflection of Weeks' view that the Commerce Department should be the businessman's organization in the government, and that businessmen must take a direct personal interest in its functions and operations.

It is also a token of the administration feeling that the business community generally has an important stake in its success. The department feels that no businessman or business group should overlook the opportunity that exists to have their views and recommendations on fed-

eral economic policy considered in day-to-day operations of government.

"This is frankly and pridefully a business administration," Assistant Commerce Secretary James C. Worthing commented recently. "If it fails, if it does not measure up to its responsibilities, if it does not provide the leadership and inspire the confidence of the whole American people, the businessmen and the business community may not have another chance in your lifetime or mine."

This is the basis on which Weeks expects the cooperation of businessmen who are called to service in making BSA a successful unit of the Commerce Department and the government.

## Here, There and Everywhere

(Continued from page 8)

the Foundation for Better Reading. The foundation says the statistics were developed after testing the reading rate and comprehension ability of 2,000 top executives from 100 of the nation's leading business and industrial firms. "Better reading" training, the foundation adds, helped the slowest executive increase his reading speed from 90 to 390 words a minute, and the fastest reader to increase his speed to 3,600 words a minute after a month of home study.

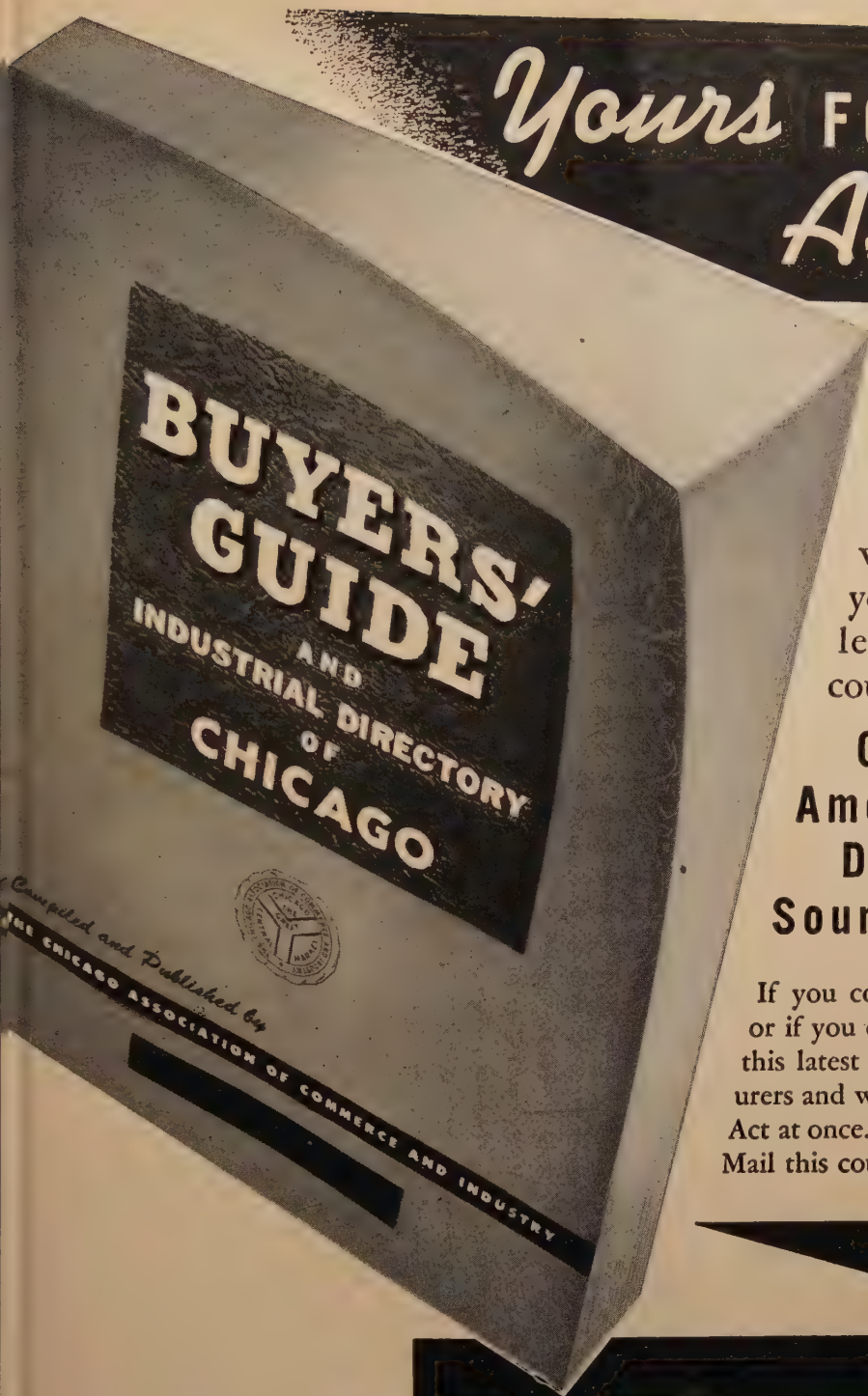
• **Gourmets From All Over** — Chicago's Blackhawk Restaurant has turned a new gimmick for adding to its menu. Recently, it invited European and Asiatic consular officials in the city to submit their favorite local recipe. The result: the addition of 10 new international dishes: Swedish meat balls, Arroz a la Valenciana from Spain, filled parma from Yugoslavia, cheese croquettes from Switzerland, Tourin ou soupe a L'oignon from France, Scottish salmon from Britain, stuffed eggplant and squash with meat from Israel.

• **Accident Losses** — Occupational accidents in 1952 cost American industry \$45 per worker, according to the National Safety Council's statistical annual, "Accident Facts." The 1953 edition points out that 15,000 persons were killed and 2,000,000 injured while at work in 1952. The total time lost as a result of occupational injuries reached the staggering total of 250,000,000 man-days.





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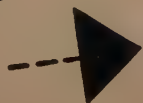


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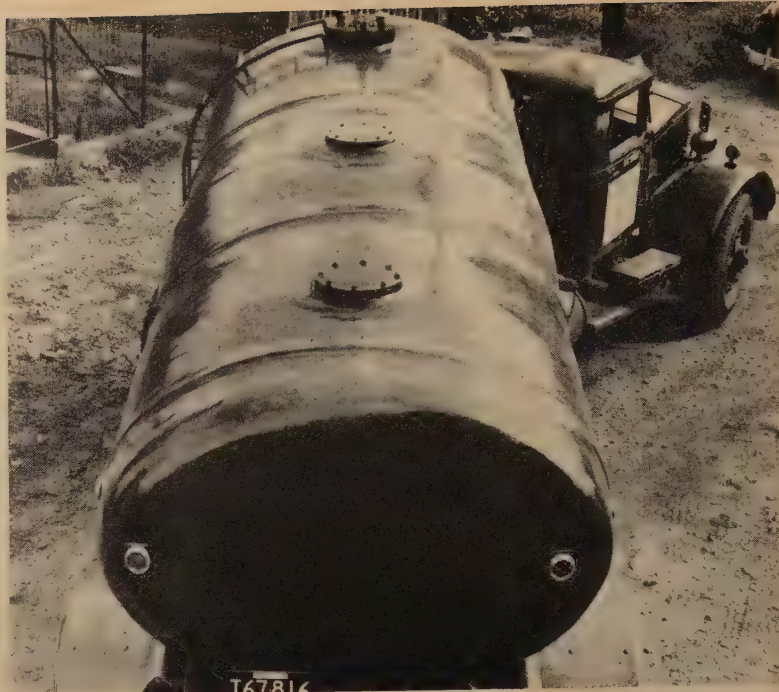
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## NEW IN PLASTIC!

The latest innovation in plastic products is a truck tank for chemical haulage that is expected to save its users many thousands of dollars.

A 3,400-gallon reinforced plastic transport tank for commercial trucking, the first of its kind in this country, has been placed in service by a Massachusetts firm to haul formaldehyde and similar liquid chemicals. The tank, described as "an entirely new concept in commercial tank trucking," is made of American Cyanamid Company's "Laminac" polyester resin and fibrous glass reinforcement. It is one of the largest one-piece molded structures ever made, measuring 21¾ feet long, 6 1/6 feet wide, and 4 1/3 feet high, unmounted.

When fully equipped and mounted on a trailer, the tank weighs only 7,025 pounds, 3,600 pounds less than a steel tank. The weight savings, according to the trucking firm, should increase the payload on a run between Springfield, Mass., and Montreal, for example, by

\$32.28 per run without exceeding the 50,000 pound over-the-road weight limit. Based on two loads per week between these two points, the yearly payload increase would amount to \$3,357.12.

Another advantage of the plastic tank is that no special lining is required, as in the case of a steel tank. Also the plastic tank is highly resistant to corrosion, requires little maintenance, and, if a leak develops, it can be patched with resin and glass at a small cost.

In recent tests conducted to determine the tank's strength under severe driving conditions, the tank was filled with 27,430 pounds of water and measured for strain resistance by strain gauges and accelerometers attached to its surface. Then the chassis was twisted until one rear wheel was lifted clear of the ground. For a road test the tank was raced over a rough dirt stretch and over rough and smooth paved roads. During these tests, the highest bending stress reached was 840 pounds per square inch, compared to the breaking point of the material of 20,000 pounds per square inch.



## Trends In Finance and Business

(Continued from page 10)

method of compensation. In 1950 it was up to 10 per cent, and in the most recent survey it had risen to 15 per cent. About half the companies that now compensate their directors on a retainer basis, the annual fee ranges from \$1,000 to \$2,500, and in a number of instances it is as high as \$5,000—plus the added inducement of a fee for attending board meetings.

There is no question about the improvement in the earnings of board members over the past 15 years. The most common fee paid in 1938 was \$20, while a third of the companies surveyed paid fees of \$100, and another 16 per cent paid \$50. Fees this year range as high as \$500 for a meeting for one company, and in most cases directors are reimbursed for expenses incurred in attending meetings. One other interesting finding of the NICB study is the fact that, although one out of every five corporate board directors is, or represents, a substantial shareholder, the stock holdings of the average director are still relatively small and stock ownership, itself, is seldom a prerequisite to serving on corporate boards.

**Electric Furnace Output**—The American Iron and Steel Institute reports that electric furnace production of steel in the first six months of 1953 attained not only a record tonnage rate but also a record high percentage of total steel output. The electric furnaces made over 4.2 million net tons of ingots and steel for castings in this period, or 34.5 per cent more than one year earlier, compared with an increase of 29 per cent in total steel production. The electric furnace output constituted 7.3 per cent of all steel made against 7.0 per cent in the corresponding part of 1952.

Of the electric furnace output, in the first five months, about 52 per cent was carbon steel. This fact may surprise many who long have believed that electric furnaces are primarily producers of alloy steel. While alloy production in electric furnaces continues to increase, the leading position of carbon steel in this type of equipment is in marked contrast with the situation during World War II and previously. In the



## Ever Hear of Conway?

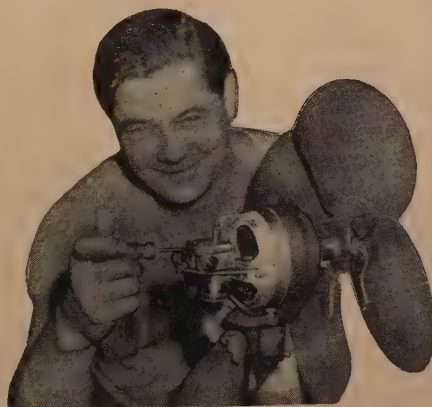
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electric furnace, carbon has exceeded alloy output every year since 1946 despite the big increase in alloy steel demand since mid-1950.

Although expansion in capacity continues far larger in open hearths, on a tonnage basis, than in electrics, the latter now constitute 8.7 per cent of total steelmaking capacity, against 1.9 per cent in 1938. Electric furnace capacity at the beginning of this year was 10.2 million tons of steel a year, against less than 1.5 million in 1938. Open hearth capacity meanwhile rose to 102.7 million tons from 71.5 million.

• **Mortgage Credit Up**—Despite reports of a shortage of mortgage credit, the total volume of mortgage lending by savings and loan associations reached a new record of \$3,738,000,000 during the first six months of this year. So reports the United States

Savings and Loan League, which adds that the first half figure was nearly 22 per cent above the mortgage lending volume for the similar 1952 period. Of the total amount loaned thus far this year, an estimated \$1,211,000,000 or 32.4 per cent was devoted exclusively to the financing of new residential construction, also an all-time high for a half year period.

Meanwhile, the Institute of Life Insurance reports an increase in mortgage lending by life companies. The life insurance companies took on \$2,144,000,000 of new mortgages during the first half of 1953, a compared with \$1,973,000,000 during the same 1952 period. This year's mortgage total fell, however, below the first six months figures for 1951 which totalled \$2,915,000,000 for the life firms.

## The Old Market Debate

(Continued from page 17)

tomatically reflected dividend payments, this would be a straight line — since \$1 of dividend income would always sell at the same price.

Actually, while dividends are low near the bottom of a depression, investor sentiment may be even lower. When business is poor and earnings and dividends are down, investors tend to pay only a low price for \$1 of dividends because they fear things are going from bad to worse.

And when business has been booming for a long time and still seems on the upgrade, investors tend to pay higher and higher prices for each dollar of income, just when a bit of caution might seem appropriate, because they take the too-hopeful view that the sky is the limit.

With rare exceptions the price of \$1 of dividends has tended to range (over the past 82 years) from about \$12 at the bottom of a declining market to more than \$30 at the top of a rising market. It is inconsistent and illogical that high prices for dividends should be paid when stocks are vulnerable to decline, and low prices when stocks offer little risk, but that is a fact of the market.

A period of great increase in the market evaluation of dividends occurred in the '20s. Reflecting the optimism of the times, the price paid for \$1 of dividends increased from \$14 in 1920 to \$32 in 1929. Again,

after the deep depression of the early '30s, and as confidence in the business recovery was developing, the price of \$1 of dividends increased from \$11 in 1932 to \$34 in 1937.

An interesting point revealed by these figures is that the average price paid for a dollar of dividends over a long period of years is about \$20 giving an investment return of 6 per cent a year.

It would therefore follow, in general way, that when stocks are selling below \$20 for each \$1 of dividends, they are, historically, priced on the low side, and when they are priced above \$20 for each \$1 of dividends, they are — based on history — priced on the high side. Or in terms of yields, above 5 per cent tends to be a fair buy and below 5 per cent tends to be dear.

As shown earlier, the average annual increase in stock values due to growth factors is about 3 per cent. Add this to the average dividend return of 5 per cent, and the result is 8 per cent. This means that the investor who buys stocks at an average price (and yield), and reinvests his dividends as they accumulate, could average should about double his funds in nine years — a highly interesting and little publicized fact of stock investment.

Naturally, if the investor buys



years of low price levels and resulting high yields—1949, 1942, 1938, 1932, 1921—he clearly betters his experience; and if he buys in years of high prices and corresponding low yields—1946, 1937, 1929—he worsens his experience.

The impact of taxes varies with the size of the investor's total income, how often profits are realized, and the extent to which securities whose dividends are not taxable as income are used.

Discussion up to this point has centered on factors that might be expected to affect the values and prices of all stocks alike: long-term growth of the country, ups and downs of the business cycle and variations in investor sentiment.

However, not all stock prices move with the general trends. Nearly half the stocks listed on the New York Stock Exchange declined in 1952 while the general market, as measured by the Dow-Jones Industrial Average, moved up by 8.4 per cent. And in 1951 one out of three stocks declined while the Average rose 14.3 per cent. Such movements are caused by factors affecting particular industry groups or individual issues.

### Differing Incomes

Investors are willing to pay more for \$1 of dividends from some groups of stocks than from others. That is why, at the end of 1952, sugar stocks yielded 10.9 per cent, agricultural implement stocks 7.9 per cent, paper stocks 5.2 per cent and can manufacturing stocks 3.1 per cent.

The market is entirely logical in putting different prices on the dividends from various groups. Obviously, the more nearly certain a dividend return is, the greater its worth. The more uncertain the dividend yield the lower the intrinsic worth of the stock. The prices investors are willing to pay per dollar of dividends often vary with the "quality" of the dividends. And the "quality" of dividends in turn depends on the cyclical character of the business, the debt load of the company on which interest must be paid before dividends, the existence of preferred stocks with a prior claim on earnings, and other factors that make the payment of dividends doubtful.

If a company is able to pay only \$1 to the holder of each share this year, but because of the rapid growth

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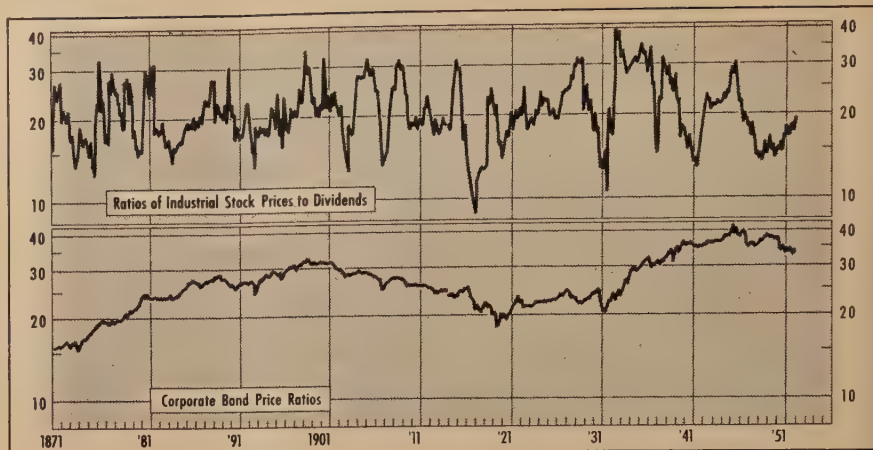
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CHART III



Source: Cowles Commission Industrial Yield Expectations 1871-1937; Moody's Industrial Stocks 1938-1952; Macauley Bond Yield Index 1871-1935; Moody's Bond Yields 1936-1952.

For comparative purposes the ratio of industrial stock prices to dividends (i.e., the price of \$1 of dividends) is shown together with a chart of inverted bond yields.

The similar cycles in stocks and bonds should be noted. The trends of bond prices and long-term interest rates have some effect on stock prices and on the price per dollar of dividends. But these effects are apparent only over a very long term and are usually less important than the cyclical variations that carry the ratios of prices to dividends between about 12 and above 30.

of its business and assets may pay more in years to come, it is a "growth" company — as long as these factors are present. One of the best indications of a "growth" company is the retention of a substantial part of true earnings for needed investment in the growing production facilities of the company. The higher the portion of earnings profitably reinvested in the business, the greater the presumption of growth. Immediate return is lowered, but eventual income, and hence value, may be greater in succeeding years.

The prospect of greater dividends in the future is worth money, and many investors are willing to pay for it. However, these stocks are particularly shining marks for over-enthusiastic investors during periods of rapidly rising earnings and stock prices. Thus, they are apt to suffer severe price declines in falling markets. The investor is wise and fortunate who can invest in real "growth" stocks after such a decline — but an error in the timing of a purchase may not be too tragic if the stock is held for a long term and the growth phase continues.

Variations in business and financial conditions and governmental activities bear unevenly on various industry groups and individual corporations. These influences, in addition to such factors as especially brilliant operation (or the reverse),

often cause widely diverse market movements of various groups and individual stocks. In every rising market a number of stocks far outstrip the averages, some barely hold the pace, and still others actually decline. In every falling market some issues, with good reason, fall far more than the averages, others move with the market, and some resist decline or even rise.

These cross-currents are the source of the term "selective markets." They are also the source of the investor's problem of selection.

### Rewards of Selection

To see the potential maximum rewards of selection one can assume the perfect use of two different methods of investing — accomplishments obviously impossible in actual practice, but instructive as examples.

Hypothetical investor "A" began with \$96 and exercised perfect timing in purchases and sales from 1915 to date. It is assumed that he could buy and sell the Dow-Jones Industrial Average. Had he sold at every major top in the market and bought at every important bottom, his \$96 would have grown to \$101,908 (\$1,062 per dollar invested), a gain of 20.1 per cent a year compounded. The results are shown in the table on the following page.

Hypothetical investor "B" began



### Perfect Market Timing Since 1915

--- Bought ---				--- Sold ---		
Date	Number of Shares	Price*	Amount Invested	Date	Price*	Amount Received
Jan. 1915	1¾	54.63	\$ 96	Nov. 1916	110.15	\$ 193
Dec. 1917	3	65.95	198	Nov. 1919	119.62	359
Aug. 1921	5½	63.90	351	Mar. 1923	105.38	580
Oct. 1923	6¾	85.76	579	Sept. 1929	381.17	2,573
July 1932	62	41.22	2,556	Mar. 1937	194.40	12,053
Mar. 1938	122	98.95	12,072	Nov. 1938	158.41	19,326
Apr. 1939	159	121.44	19,309	Sept. 1939	155.92	24,791
Apr. 1942	266	92.92	24,717	May 1946	212.50	56,525
June 1949	349	161.60	56,398	Dec. 1952	292.00	101,908

\*Dow-Jones Industrial Average is used as price of shares. Figures based on a study by Hugh W. Long and Company.

with \$100 in the same year. He kept his funds continuously invested—was never out of the market—but was able always to be in the group of securities that did best in the market. His \$100 would be swollen to \$379 million (\$3.79 million per dollar invested), an increase of 49.0 per cent a year compounded. He did not select unusual industries and did no fast trading. The average duration of each of his holdings was 19 months.

Such results are not only hypothetical, but impossible. Mere mortals cannot bring to investment a foresight comparable to the perfect hindsight on which these results are based. But even within the limits of normal human intelligence, the results of selection, as compared with those of timing, can be very substantial.

Only a few of the major factors affecting the broader fluctuations of

stock prices have been discussed here. There are others. In selecting individual stock issues the number of factors to be considered increases many-fold. They include: impact of taxes, effect of labor and wage developments, intra- as well as inter-industry and foreign competition; tariffs, raw material problems, marketing and merchandising considerations, diversification of plant and product, attention paid to product research. These are just a few of the many subjects to be considered when approaching the problem of appraising and analyzing various groups and individual stocks that make up the stock market. When one turns to the further problem of constructing and supervising an appropriate list of securities to meet certain investment aims and objectives under given and assumed conditions, the scope of study and investigation may be greatly amplified.

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1/16	4	Steel	107 428	6/17	156	622
6/17	35	Automobile	17 606	11/19	57	2,002
11/19	43	Dep't Stores	46 1,982	11/22	69	2,963
11/22	40	Util. Hold.	72 2,892	12/24	134	5,364
12/24	148	Automobile	36 5,343	10/25	75	11,144
10/25	320	Agric. Mach.	35 11,136	12/27	91	29,184
12/27	291	Mail Order	100 29,129	11/28	273	79,356
11/28	207	Util. Hold.	382 78,991	9/29	763	157,962
9/29	5,283	Gold	30 157,962	6/32	43	227,697
6/32	17,515	Metals	13 227,695	6/33	83	1,451,994
6/33	27,293	Auto. Acc.	53 1,451,988	11/35	117	3,182,364
11/35	43,121	Copper	74 3,182,330	1/37	160	6,886,424
1/37	59,009	Aviat. Mfrs.	117 6,886,350	11/38	134	7,901,305
11/38	68,409	Air Trans.	116 7,901,240	1/40	174	11,930,530
1/40	123,249	Cement	97 11,930,503	7/41	102	12,509,774
7/41	89,100	Air Trans.	140 12,509,640	7/43	308	27,424,980
7/43	166,212	Tire & Rubber	165 27,424,980	7/44	194	32,261,749
7/44	275,505	Dep't Stores	117 32,261,636	12/45	254	70,033,371
12/45	454,467	Cement	154 70,033,365	6/46	192	87,076,877
6/46	633,226	Oil	163 87,075,806	12/47	170	90,061,871
12/47	892,585	Util. Hold.	101 90,061,827	5/49	128	114,250,880
5/49	641,138	Tire & Rubber	178 114,250,792	10/51	450	288,768,555
10/51	2,289,996	Finance	126 288,768,496	12/52	166	379,452,337

\*Cowles Commission and Standard & Poor's Indexes are used as prices of shares. Figures based on a study by Hugh W. Long and Company.

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## Industrial Developments

*... in the Chicago Area*

INVESTMENTS in industrial plants in the Chicago area totaled \$8,088,000 in August compared with \$37,380,000 in August, 1952. Total investments for the first eight months of 1953 stood at \$94,633,000 compared with \$144,274,000 in the same period in 1952. These figures include expenditures for the construction of new industrial plants, expansions of existing buildings, and the acquisition of land or buildings for industrial purposes.

**American Can Company** is planning two large projects in the Chicago area. The first is a 234,000 square foot warehouse adjacent to the Indiana Harbor Belt Railroad. Graham, Anderson, Probst and White, architect; Sherman Olson, general contractor. The second is a large research laboratory which will be located near the town of Lisle in DuPage County.

**E. I. du Pont de Nemours and Company**, Chemical Division, East Chicago, is expanding its plant for the manufacture of freon fluorinated hydrocarbon compounds for the refrigeration and aerosol industries.

**Stewart-Warner Electric Division** of the Stewart-Warner Corporation is constructing a 77,000 square foot addition to its plant at 1300 N. Kostner avenue. The building will be utilized for the production of electronic apparatus. Olsen and Urbain, architect.

**E. J. Brach and Sons**, candy manufacturer, is adding approximately 80,000 square feet of floor area to its plant.

**Fansteel Metallurgical Corporation**, North Chicago, is adding a factory building to its plant. The new

building will be a two-story structure which will contain 25,000 square feet of floor area. A. Epstein and Sons, Inc., engineer; Haglund and Ames, Inc., general contractor.

**Darling and Company**, 4201 S. Ashland avenue, is adding a three-story reinforced concrete addition to its fertilizer plant. Stanton and Rockwell, architect.

**Socony-Vacuum Oil Company**, Inc., East Chicago, is adding a 25,000 square foot shop building to its plant.

**Wine Corporation of America**, 3737 S. Sacramento avenue, is erecting a 25,000 square foot addition to its plant.

**Armstrong Cork Company**, Lancaster, Pa., is erecting a plant, which will contain principally office and storage space, in the 6600 block on West Irving Park road.

**Naylor Pipe Company**, 1230 E. 92nd street, is erecting an addition to its plant. Abell-Howe Company, general contractor.

**Campbell Soup Company** is completing an 18,000 square foot addition to its plant at 2550 W. 35th street. Battey and Childs, engineer; Campbell-Lowrie-Lautermilch Corporation, general contractor.

**Andrew Corporation**, 363 E. 75th street, is constructing a plant which will house the entire operations of the company. The new structure will be located in Orland Park. The Andrew Corporation manufactures coaxial cables and air pumps.

**Paramount Die Mold Company**, 4034 N. Kolmar, has expanded its

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plant. The company is a molder of plastic products.

• **Nagel - Chase Manufacturing Company**, 2813 N. Ashland avenue, is erecting a branch plant at the corner of Kilbourn avenue and Cortland street adjacent to the C.M. St. P. & P. Railroad.

• **Diebel Die and Manufacturing Company**, 2701 W. Irving Park road, is constructing a 10,000 square foot addition to its plant. The company manufactures special machinery and punch presses.

• **Chicago Powdered Metal Products Company**, Schiller Park, is erecting a 10,000 square foot building on 25th avenue.

• **Great Lakes Solvents, Inc.**, 2530 Bloomingdale avenue, is erecting a denatured alcohol plant at 8000 W. 71st street, Bedford Park.

• **Illinois Creamery Supply Company**, 717 S. Damen avenue, is adding 14,000 square feet of floor area to its plant at 4100 N. Rockwell street. The Rockwell Street plant houses the paper division of the company which manufactures cartons for the dairy and creamery industry.

• **Briskin Manufacturing Company**, 4243 W. Ogden avenue, sheet metal fabricators, is erecting a manufacturing plant at 2400 S. Kildare avenue.

• **Durkee Famous Foods**, subsidiary of the Glidden Company, is adding to its food shortening plant at 2670 N. Elston avenue. Everett F. Quinn and Associates, architect.

• **Kelite Products**, Lincolnwood, is making an addition to its plant which produces chemical cleaning compounds. Sessions Engineering Company, engineer.

## You Can Learn To Relax

(Continued from page 15)

relaxing parts of the body not used in present work, while needed parts keep going. Golf offers many examples of differential relaxing. The professional instructs the golfer to keep one arm loose, the other taut on certain strokes. A housewife using the vacuum cleaner can keep one side of her body relatively relaxed. From time to time she can shift the cleaner to the other hand and give the other side an opportunity to relax while she works.

It is seldom necessary to "work all over," yet most people do. Daily practice in differential relaxing is useful for developing habits of relaxed working, loose and easy. Right now, for instance, the chances are that you could relax both legs considerably without your thinking ability being diminished in the least. Could you? Well, try relaxing them for a while and find out!

The best time to relax is before one becomes tensed. Ordinarily it does not occur to a person to relax until he is already tied up in knots. And once in a tensed condition, it is doubly difficult to slow down.

Stresses are usually powerful causes of tenseness. Using stress-producing situations as signals to think and act

calmly makes it possible for people to relax when they need to most.

Here are some examples of this mental "rolling with the punch": Having to jump from a high-flying airplane is a situation filled with stress. Paratroopers have been trained to relax just before they make a jump into wide open space. This enables them to avoid the nervous excitement that might cause fatal errors.

A salesman found it embarrassing to talk business with strangers. He made a practice of relaxing just before opening a conversation with a prospect. Stutterers have had their speech improved by looking upon it as a signal to be calm and relax throat and jaw when they start to talk. A young mother who used to fly to pieces when she heard her baby cry, changed after she looked upon the cry as a signal to be calm and relax.

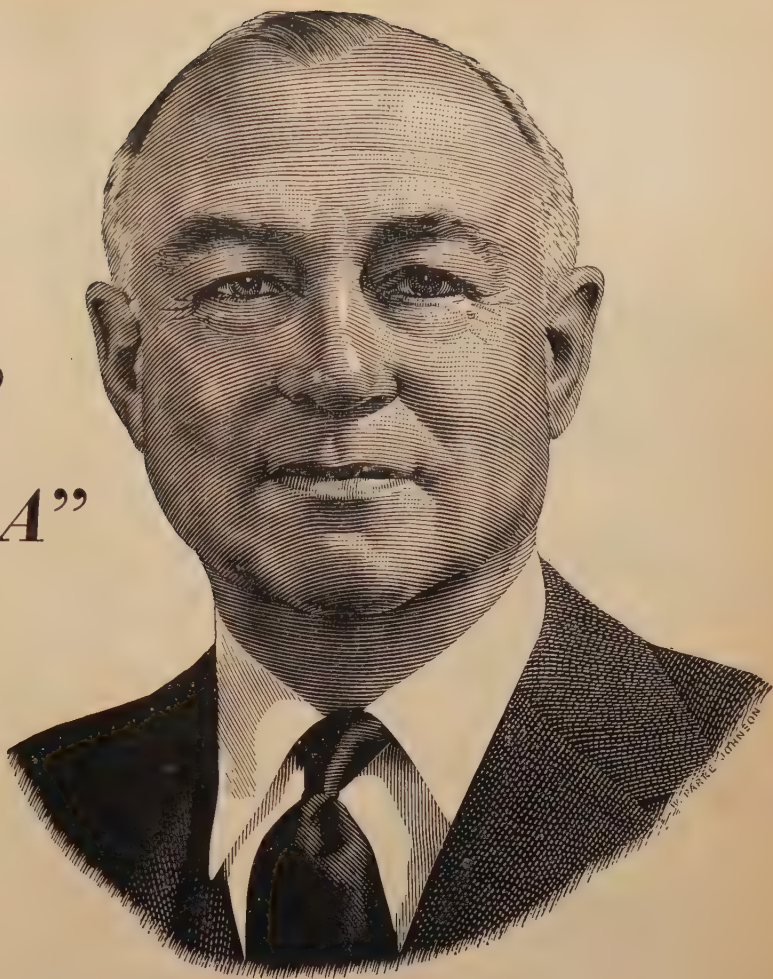
Many people who were ill at ease and embarrassed at social affairs have found great help from signaling themselves to be calm and relaxed just before entering a social group.

There are many other stress-producing situations which cause less tenseness when the person uses them as signals to relax: going to the dentist, being criticized, being disap-



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pointed, being in an accident, saying "No," facing any danger or emergency.

You will be amazed how much inner power of relaxing you have, once you develop it by using signals which remind you to let down and take things loose and easy — not just for the next 10 minutes, but until relaxing has become a lifetime habit.

## Want to Set up Scholarship?

(Continued from page 20)

know what will be acceptable to youth and to the schools."

While big business predominates in the commendable field of scholarship underwriting, the most fascinating educational program of all is doubtless that set up shortly after the war by one, Harold Smith, operator of the Harold's Club in Reno, Nev., one of the nation's biggest and best heeled gambling casinos. Smith and his brothers have established 27 four-year scholarships, worth \$1,000 annually, at the University of Nevada, a relatively small institution where about 10 per cent of the students are reputed to be financed in some degree by profits from the gambling industry.

Benefactor Smith has philosophized at length about his extensive aid-to-education program, of which his fellow Nevadans are justifiably proud. Recently, Smith, who never finished high school, explained his program in these words, "There are a lot of good minds hidden away in the mining camps and ranches. Given a chance at the right kind of education, some of them may do a lot for the state some day. You don't know what college means unless you miss it!"

Which, it can scarcely be argued, reflects pretty much the views of many of Smith's colleagues in the more conservative fields of free enterprise. As Illinois Tech Dean Deakins puts it, "Thirty years ago a high school graduate probably had to be well-off financially to win a college degree. Not too many scholarships were available, and earning enough money by part-time work was very difficult. Today lack of money need not prevent any qualified person from earning a college degree."

Above all, the increasing number of business-sponsored scholarships have played a significant part in this major change in educational opportunities in America.



# Transportation and Traffic



INCREASES in rates and charges of the Railway Express Agency, Inc., authorized on July 29, 1953, by the Interstate Commerce Commission in its report in Ex Parte No. 15, Increased Express Rates and Charges, 1953, became effective Thursday, August 20, 1953. The rate increases average about 15 per cent and will yield the agency approximately \$5 million additional revenue annually. First class 100-pound rates were increased 20 per cent subject to a maximum of \$1.04. Second class rates will remain at 75 per cent of the increased first class rates. The minimum charge was boosted to \$1.80 per shipment. The table below shows the previous first class express rates and those which became effective August 20 on various weighted shipments of 100 pounds and less from Chicago, Ill., to Michigan City, Ind., St. Louis, Mo., Kansas City, Mo., New York, N. Y., and San Francisco, Cal.

**Government Sells Federal Barge Lines:** Sale of the government-owned Inland Waterways Corporation, operators of the Federal Barge Lines, to a private interest was announced recently by Secretary of Commerce Clair Weeks. The Federal Waterways Corporation of Delaware, a new and wholly-owned subsidiary of the St. Louis Shipbuilding and Steel Company, purchased the barge line

for \$9,000,000. The sales agreement requires (1) adequate provision for transporting less carload and less bargeload shipments and the active solicitation of such shipments; (2) maintenance of joint rates with rail carriers; (3) arrangements for interline traffic with other transportation services; and (4) transportation service in designated districts and divisions with specified minimum trips. Secretary Weeks' announcement said: "The sale is a good business transaction for the taxpayers. It not only will add a substantial sum to the U. S. Treasury but it also will place the property where for the first time it will yield annual tax revenues to the government. The sale is a good thing for the users of the system, particularly those shipping less-than-bargeload freight. We made provision in the contract for cargo service substantially similar to that furnished now." The announcement continues: "From 1939 through 1952, the system piled up losses totalling \$9,749,000, losing money in 12 of the 14 years. We liquidated a government-operated system in which losses over the years had been made up by the taxpayers and we have obtained for the public the highest sales price ever offered for it." The government will continue to operate the Federal Barge Lines until the Interstate Commerce Commission issues tem-

(Rates in Cents)

	Michigan City, Ind.		St. Louis Mo.		Kansas City, Mo.		New York N. Y.		San Francisco, Cal.	
	*	\$	*	\$	*	\$	*	\$	*	\$
1	156	180	156	180	156	180	156	180	156	180
5	156	180	156	180	156	180	161	184	194	217
10	156	180	163	187	175	201	193	220	259	285
15	170	196	211	245	241	279	289	328	453	491
20	210	245	292	343	353	410	450	507	776	834
25	251	293	373	440	464	541	609	687	1099	1177
30	290	341	454	537	575	672	769	866	1422	1519

\* 1st class rates, including 6 cents per shipment additional charge, in effect prior to August 20, 1953.

\$ Increased 1st class rates effective August 20, 1953.

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• **I.C.C. Releases Report in Rail Freight Rate Case:** The Interstate Commerce Commission has issued a report in support of its order of July 29 in Ex Parte No. 175 which extended a 15 per cent increase in railroad freight rates to December 31, 1955. The increase, which is applied as a surcharge, was to expire February 28, 1954. The railroads' petition asked the commission to allow them

to make the rate hike a permanent part of the rate structure. In justifying its refusal to make the increases permanent, the commission pointed out the uncertainty of the nation's economic future. "The basic reasons for our difficulties in reaching at this time a reasonable and defensible conclusion on the issues presented are fairly apparent," the commission said. "The country has been experiencing a prosperous era for fully 15 years. The unusual length of the period, characterized by war or prepa-

ration for national defense, presents an intricate problem for persons engaged in cycle analysis, and it creates some concern as to whether the present high level of economic activity can be sustained for an appreciable length of time in the future. The record discloses a variety of viewpoints on this important subject. Some take the position that we have achieved a fair degree of stability in our economy and that the country will remain substantially on its present high plateau of prices, value of wages, taxes and business activity for a more or less indefinite period. Others predict a down-turn of considerable proportions in several, if not all, of the categories in the not too distant future. A more or less middle ground also receives support. Those who take the latter position contend, as we appraise the consensus, that there will be a decided shift in the relations of economic factors in the near future—that is, that some values may go up and others down while still others will remain stationary." The commission's findings concluded, "we cannot evaluate all of these uncertainties with any degree of accuracy for a long period ahead. On the other hand, we must render a decision. Manifestly, the decision should be as consistent as can be with general trends in the economy and should tie in, so far as possible, with the best understanding of the probabilities. If, however, the period for which we must make projection can be shortened, opportunity to make a better determination is greatly improved. Also, more adequate consideration then can be given to diverse trends of conditions among shippers and among carriers in their bearing on rate adjustments and on revenues of carriers."

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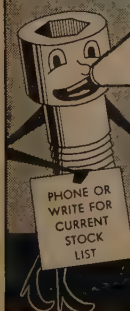
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• **I.C.C. Bureau Releases Statement on "Small Shipments":** The Interstate Commerce Commission Bureau of Transport Economics and Statistics has just issued Statement No. 5325 titled "Statistics on Small Shipments." The report contains statistics covering the movement of shipments weighing 300 pounds and less during the year 1951. Omitting revenues from freight forwarder shipments, and from shipments of certain individual carriers because of lack of data, the report estimates that revenue from small shipments was approximately \$993.2 million during the year. Fourth class mail revenue represented over 46 per cent of the



tal, express 25 per cent, and the motor carriers received about 17 per cent. By volume, fourth class mail accounted for 82 per cent of the mail shipments, 65 per cent of the pieces, and 24 per cent of the total weight. Intercity motor carriers transported eight per cent of the shipments, about 21 per cent of the number of pieces, and approximately half of the aggregate weight. The express agency handled about five per cent of the shipments and pieces and approximately 10 per cent of the weight. Shipments of 300 pounds and less totaled more than 1.5 billion during 1951, the report reveals. In a statement concerning the report, Commissioner Alldredge said: "Several things stand out in the facts that have been assembled and evaluated in this report. One of the most impressive of these showings is the prominence of motor freight carriers in the transportation of small shipments. Previous statistics had indicated that the motor trucks stood third from the top in this field. They are now ahead of the national express agency. Parcel post has always been first and still is."

**Chicago Switching District Order to Remain in Effect:** The Interstate Commerce Commission's orders of July 31, 1931 and July 3, 1933 in No. 19610, Switching Rates in Chicago Switching District, will continue in full force and effect. The commission recently directed a notice to all parties to the proceeding to show cause why its orders should not be vacated and set aside in so far as they require continued maintenance and observance of the rates, charges and minimum weights prescribed. Railroad respondents requested the continuance of the orders. Had the orders been vacated it could have returned to the Illinois Commerce Commission and the Indiana Public Service Commission jurisdiction over Illinois and Indiana intrastate switching rates in the Chicago Switching District.

**Postpone Hearings on Transcontinental Class Rates:** Hearings set for October 21, 1953, in No. 30416, Class Rates, Mountain Pacific Territory, and No. 30660, Class Rates, Transcontinental, Rail, have been postponed to December 1, 1953. The hearings will be held in Washington, D. C., before Division 2 of the Interstate Commerce Commission and Examiner Myron Witters. The cases

involve railroad class rates from, to and within the territory west of the Rocky Mountains which were not included in the Docket No. 28300 adjustment.

• **I.C.C. Rejects Central Motor Carriers Bulwinkle Pact:** Section 5a application No. 33 of Central States Motor Freight Bureau has been dismissed by the Interstate Commerce Commission without prejudice to the filing of a new application in conformity with its findings. The commission said that approval of the

agreement was prohibited by paragraph (6) of Section 5a which accords each party to an agreement the free and unrestrained right to take independent action at any time. The commission also requests several procedural changes in the application. Section 5a of the Interstate Commerce Act, the so-called Reed-Bulwinkle section, exempts from the provisions of the anti-trust laws the rate making practices and procedures of the carriers when such practices and procedures have been approved by the I.C.C.



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## New Products

### 48-Hour Recorder

A new automatic sound recorder that will operate unattended for continuous periods up to 48 hours is being manufactured for civilian use by SoundScriber Corporation, New Haven, Conn. The device, a magnetic tape recorder-reproducer, was developed through joint research by the U. S. Navy Bureau of Ships and SoundScriber, and more than 500 of the recorders have been in use during the past year at Naval stations. The recorder indicates the exact time messages are received. Commercial applications tested during the past year include radio program monitoring, commercial airline communications, police broadcast copying, fire alarm recording, and press and business recording. The recorder plays back instantly when a switch is thrown.

### Metal Insulator

A new quick-drying material that can be sprayed on like paint is said to protect metals at temperatures as high as 5,000 degrees F. The material, called "Pyrolock," was developed by the B. F. Goodrich Co., Akron, O., at the request of the Defense Department for use on rockets and guided missiles. "Pyrolock" can be modified easily for industrial use, says Goodrich. An industrial version would have adhesion properties for many types of surfaces and would withstand water, acids, alcohol, and the weather.

### Christmas Gift

Vaco Products Company, 317 E. Ontario Street, Chicago 11, suggests its Personalized X-4 Screwdriver Set as a goodwill-promoting Christmas gift. The gift-boxed set includes two reversible blades, a shock-proof handle, and a plastic bag with three pockets. The donor's name can be imprinted on the Amberyl handle and on the plastic bag.

### Mold Inhibitor

A method for applying sorbic acid to wrapping materials has been developed by Milprint, Inc., 4200 N. Holton St., Milwaukee, Wis. The acid is absorbed in a wax-coated

material, called Milpure. Tests are being made with cheese, and the new protective material is believed to be applicable also to the packaging of other foods, including meats.

### Quick Copies

Frederic G. Ludwig, head of the Yale University Library Photographic Department, New Haven, Conn., has developed a 20-second process for making ready-to-use positive copies of anything that has been photo-copied. The copier is called the Constat Portable Dry Processor, made of stainless steel and fiber glass, and it requires no electricity or plumbing connections, no dark room, no rinses, and no long drying period. The actual time for the photo copy to go through the Constat is ten seconds. The Constat sells for \$55. The manufacturer is F. G. Ludwig, Inc., Deep River, Conn.

### Electronic Road Sander

A device called the Grip-Kin, manufactured by the Tenna-Li Corporation, 312 W. Illinois Street, Chicago 10, deposits a layer of sharp processed grit in the paths of the rear wheels of automobiles in which it has been installed. The appliance is operated electronically by a switch on the steering post. Valves concealed in the luggage compartment control the flow of grit. The cost installed is less than that of a set of ordinary seat covers, the manufacturer states.

### Industrial Flashlight Battery

After thorough testing, Burgess Battery Company, Freeport, Ill., marketing its new No. 210 Size flashlight battery for heavy-duty industrial use. The battery is sealed steel and plastic, and made of artificial ores developed by Burgess. The company reports that the battery is the outgrowth of new developments resulting from production of special types of batteries for the armed forces.

### "Kand-Ice" Refrigerant

A new refrigerant, said to be superior to ice as a preserver of perishables, is being distributed by Thrill



Products Company, P.O. Box 98, Brooklyn 30, N. Y. The product, called Kand-Ice, is a chemical compound packed in vacuum cans. It is frozen in the ice cube compartment of a home refrigerator, or in a freezer, and when packed in any insulated box after freezing will keep food, drink or other material cold for 72 hours. One can of Kand-Ice is said to be equivalent to three pounds of ice in refrigerating qualities, and can be used indefinitely by simply refreezing it.

#### New Growing Medium

A soil conditioner that aerates, insulates and gives moisture to seedlings, cuttings or plants has been placed on the market by Gro-lite Co., Houston, Tex. The material, called Gro-lite, is made from perlite ore, a volcanic ash. The perlite is heated until it expands like pop corn, and the popped particles, in crystalline form with nitrogen added, are packed.

#### Cabinets for Tiny Parts

The "Little Gem" tiny parts cabinets announced by Precision Equipment Company, 3714 N. Milwaukee Avenue, Chicago 41, consists of two drawers, each 1½ inches high, in a one-piece welded frame. Each drawer has eight dividers, giving the cabinet a total of 24 adjustable compartments, but these can be increased to 36 by adding extra dividers. The Little Gem cabinets are designed also for insertion in Precision's standard parts cabinets.

#### Injection Molding Plastics

A new line of heat-stable vinyl compounds for injection molding has been developed by the plastics division of Monsanto Chemical Company, Springfield, Mass. The new compounds are adaptable to dry blending. They are described as dry, free flowing, dustless powders supplied in natural, or black or white. They may be drum-tumbled with dry pigment to produce other colors.

#### New Machining Lubricants

Two new lubricants for use in high speed machining of stainless, molybdenum and other high alloy steels, as well as carbon steels, were announced by the Van Straaten Chemical Company, 546 W. Washington Blvd., Chicago. The company stated that

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increases in speeds beyond normal and increases in tool life of 100 per cent may be expected from the new oils on automatic screw machines.

#### **Pallet Roller**

The Ace Swivel King pallet roller manufactured by the Frank L. Robinson Company, Oakland 12, California, permits movement of palletized loads in any direction, the company reports. The rolls are 3½ inches in diameter and crowned for floor protection.

#### **Masonry Paint**

A new masonry paint that will cover stucco, brick, concrete, and construction block in 144 colors has been developed by Martin-Senour Paint Company, Chicago. The paint, called Colorsol, resists mildew, fungus, and extreme weather conditions, and it can be used on weathered asbestos shingles as well as masonry.

#### **Seven Locks on One File**

For those who want to insure the privacy of their files by having more than one person present when con-

fidential material is removed, Meilink Steel Safe Company, 1672 Oakwood Ave., Toledo, O., can install up to seven locks per drawer in its new Hercules model file. Seven persons would thereby be required to open the file—one with the key or combination to each lock. The rest of the file could be open for use or

equipped with various locking combinations for each drawer.

#### **Leakproof Battery**

The Electrical Division of Olin Industries, Inc., New Haven, Conn. has introduced a leakproof battery for flashlights. A chemical seal called Solinite eliminates any need for thermal insulation or a metal case.

### **Our UNreasonable Facsimiles**

(Continued from page 14)

proper ends and purposes of government that Americans should increasingly feel and resent.

A derelict educational system does everything but educate in the true sense of the word. It trains, develops special talents, and indoctrinates, but it has been failing dismally to teach young Americans how to live in a democracy predicated upon the truths that all men are created equal with rights and corresponding duties.

A complacent citizenry has accepted the effusions of countless teachers and school administrators whose principles are directly opposed to the best interests of the nation.

There was a time when the employer was looked upon as a deep-dyed economic villain who ground workers into the dust with one hand and gouged the public with the other. We all regret capital's sins of commission and omission in the past but while making that acknowledgment, we insist that two wrongs do not make a right. If the experience of recent years has proved anything at all, it demonstrated with painful clarity that labor can be as greedy as ruthless, as selfish, as intolerant of the rights of others as the most arrogant economic royalist.

There is still another movement that is being gotten away with in the United States while many of us are busy trying to outsmart each other. The followers of Karl Marx have almost succeeded in outsmarting all of us, almost succeeding in cutting us loose from the anchorage of democratic rights to freedom of speech, to the fruits of one's industry and enterprise, and to security in the possession of property.

False prophets of an equally false liberalism have wormed their way into high places, and their appropriation of the term "liberal" is itself a monumental example of "getting away with it." There is nothing liberal about them except their willingness to regulate our lives and use our money to further their own ends. Yet they are in key posts in government, in education, in the press, on the radio, and in the motion picture industry. They are extraordinarily dangerous because they are smart, shrewd, and calculating. They know exactly what they want, and what they want is nothing more or less than the overthrow of American institutions. They are masters of propaganda, skillful sowers of discord and discontent.

Who planted the idea that the way to have more goods is to pro-



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less? Who invented the seemingly altruistic phrase "controlled capitalism?" Who spread the false notion that the United States has reached a mature economy which owes too much and already has all the railroads, power plants, and manufacturing facilities it needs? Who has been harping on the idea that capital and labor are natural enemies who can never meet upon common ground of mutual interests? These are Communistic doctrines, inspired by Communists, spread by Communists, yet accepted by men and women who should know better.

As a matter of demonstrable logic, I do not see how it is possible to maintain high ethical standards of national conduct unless there is a firm foundation of high standards of personal conduct on the part of the component parts of the nation: the man in the office, the clerk, the doctor, the lawyer, the worker on the assembly line, the farmer, the holder of political office, and all the rest. As a matter of history, there is a logical cause and effect relationship between the decline of personal standards and the decline of national standards. One period after another bears tragic witness to the fact that personal integrity and national integrity are inseparable. When one disappears, the other inevitably disappears too. It is only a matter of time.

### National Standards

Progress among nations is measurable by ethical standards and by national determination to set high standards and to live according to them. The nations which either reject or ignore ethical standards fall into two classes. They are backward nations which have never reached a high degree of civilization, or they are gangster nations which operate on the thesis that might makes right. It is impossible to maintain high ethical standards of national conduct without a firm foundation of high ethical standards of personal conduct. I stress this point of individual, personal responsibility because here, perhaps, lies a new and livelier clue to the state of our current economic, social, and political health. Personal responsibility is not something based upon reluctant concessions acquired by chance. Like man's conscience, it is the dictate of

reason urging man to devote himself to the attainment of the perfection that should be his for the simple reason that he is endowed with reason and free will. Too many of us have erred for too long by regarding personal responsibility as an irksome burden to be slid off on to somebody else's shoulders or to be sloughed off entirely. Therein lies the cause of much of man's injustice to his fellow man.

I am not a reformer. Yet I like to think of what our affairs would be like if each of us were to assume his fair share of responsibility; to think of the possibilities if we were honest with ourselves and with others; if we were as scrupulous in performing our duties as we were in demanding our rights.

### Utopia, If . . .

Under this Utopian scheme, capital and labor would begin to emphasize points of common agreement instead of disagreement. Furthermore, because the present capital and labor feud is playing into the hands of the Communists, those enemies would be deprived of one of their most potent weapons. Our representatives in all branches of government would suddenly realize that government does not exist for the sake of perpetuating bureaucrats in their jobs, but for the sake of the governed. American free enterprise would begin to function, as it is eager to do, because an environment favorable to business competition would be recreated and maintained. The workman would once again be worthy of his hire.

All Americans — workers, management, owners and consumers — would see that one group cannot for long get away with anything at the expense of the others, that their interests are identical, and that in the last analysis they rise or fall together. No matter what our individual position in life, all of us have one thing in common, personal responsibility to God, to ourselves, and to our fellow man. Ethics is a two-way street; our lives cannot be operated on a principle of "all take" and "no give."

Once we realize this as a nation, there will no longer be any danger of cynicism, ignorance, rabble-rousing, or alienism undermining a system of politics and economics which, despite its faults and despite its detractors, is still the last best hope on earth!



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THE monster pictured above represents science's latest effort to humiliate the mentality of human beings. It is the world's fastest general-purpose digital computer, otherwise known as an electronic brain, and it has just been completed at the Argonne National Laboratory near Chicago. The computer, known as the ORACLE (Oak Ridge Automatic Computer, Logical Engine), will be installed at the Oak Ridge National Laboratory early this fall, where mathematicians will endeavor to supply questions worthy of its phenomenal calculating capacities.

The new computer, built at a cost of \$350,000, contains three features which make it superior to other computing devices. First, its internal memory system has the greatest capacity of any high-speed, general-purpose computer ever built. It can receive, retain, and process as many as 2,048 twelve-

digit decimal numbers which is twice that handled by computers of this type and about eight times that of most earlier machines. Second, the ORACLE is provided with a remotely-controlled auxiliary memory system (magnetic tape) which provides for the memorizing and storing of four million words. This is the largest memory system ever contemplated for a computer.

Finally, the ORACLE is the fastest of the general-purpose computers. It can multiply 12-digit numbers such as 999,999,999,999 by 999,999,999,999 in less than 1/200 of a second. The addition of two 12-digit decimal numbers takes place in about 5/1,000,000 of a second. A difficult mathematical problem which would take about five to six years for two mathematicians to solve with the use of desktop type electric calculators could be completed in about 20 to 30 minutes by the ORACLE—with no coffee breaks, of course!

The computer consists of four parts: (1) an input-output section where problems are fed in and answers come out; (2) a control section which tells other parts of the machine what to do, how to do



and in what order the work shall be done; (3) an arithmetic unit which performs additions, subtractions, multiplications, divisions, and other arithmetical and logical operations; and (4) memory units. In operation, a message or problem is prepared on a modified teletype instrument and is fed into the ORACLE's internal memory unit. Information and data of immediate need in the solution of the problem are retained in the internal memory unit while other data are stored in the auxiliary memory unit and automatically called for as needed. The control section regulates the flow of information from the memory units to the arithmetic unit and back again as is required by the course of the computation. It also sends the answer out to a paper tape at the output end of the arithmetic unit. The tape is then "translated" into numbers and characters by a teletype page printer. The ORACLE is every bit as complicated as the average human brain. It contains 3,500 electronic tubes, about 20,000 resistors, and about seven miles of electrical wire. It is, however, exceedingly compact. The arithmetic unit has these dimensions: 12 feet long, 2½ feet wide, and 7 feet high and the internal memory unit is only slightly larger. The "memory" consists principally of eighty three-inch cathode ray tubes (similar to television picture tubes) which can store a total of 1048 twelve-digit decimal numbers. The problem and related information are stored on the inside face of the tube in the form of electric charges. Design of the internal memory unit represents a departure from the design of Argonne's earlier computer, AVIDAC, and from that of most computers. ORACLE's internal memory consists of 40 separate plug-in units, each of which contains two 3-inch cathode ray tubes and 22 small electronic tubes which are used in the amplifying and switching circuits. By the use of packaged units, repairs to the memory unit are accomplished with a minimum of shut-down time. To further speed the replacement of a defective unit, 3 extra memory units are connected to the system and thereby kept in a "warmed-up" condition. Next question for ORACLE!

## Are You Victim of "Compensationitis"?

(Continued from page 21)

ing outburst or reaction in almost every case.

Second, aim personnel policies at building up the worker's security and at stirring group pride and pressure. You're doing these things for other reasons anyway — why not use them to cut your accident bills? Hammer home the fact that all your steady employes have retirement and disability income, relative security against lay-offs, and grievance proce-

dures to keep personal dislikes from robbing them of their jobs. Post the safety records of different groups and shifts, and try to make it a matter of pride. I've seen a man break down in tears while he begged to be sent back to the job when a big least-time-loss-accident award for his group was at stake. If he's sure of his place in the world and sure of his place in a group of fellow-workers whose aims include a good safety rec-

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DeLeuw, Cather & Co.	31	Sheridan, L. J., & Co.	8	
Doering, C., & Son, Inc.	44	<i>Albert Frank-Guenther Law, Inc.</i>		
Donnelley Corp., Reuben H.	39	Snow, Fred, Steel Treating Co.	33	
<i>N. W. Ayer &amp; Son, Inc.</i>		Soglin, Albert	31	
E		Standard Oil Company	11	
Efengee Electrical Supply Co.	41	<i>McCann-Erickson, Inc.</i>		
<i>Louis Block Adv. Agcy.</i>		Steel Supply Co.	43	
Empire Warehouses, Inc.	37	<i>Jewell F. Stevens Adv. Co.</i>		
Englewood Electrical Supply Co.	1	U		
<i>Roy D. Zeff &amp; Associates</i>		United Air Lines	2	
F		<i>N. W. Ayer &amp; Son, Inc.</i>		
Fulton Asphalt Co.	33	W		
<i>Ross Llewellyn, Inc.</i>		Wabash Railroad Co.	36	
G		<i>Gardner Adv. Co.</i>		
Groak Engineering Corp.	43	Walker-Jimieson, Inc.	30	
<i>Burlingame-Grossman</i>		Weiss Steel Co.	42	
H				
Haines Co., The	31			

ord, a man gets back on the job fast. Third, see to it that injuries are handled with a soothing personal touch. This is important for two reasons: an injury always stirs insecurity and makes props for personal courage helpful; and resentment against the company occasioned by rough handling or a harsh manner may cause a cut-off-your-nose-to-spite-your-face kind of compensation neurosis in the worker.

Fourth, handle each claim as if every word spoken were being broadcast over the radio. The stories that are passed around among the workers make a lot of difference to later claims — the difference being the opposite of what you might expect, though. Make it tough for a man to get a settlement and thereafter every worker with a bruised toenail will be fighting to get what's coming to him. Make a fair, friendly settlement without stirring great animosities and (unless such feeling is already present) the world won't limbo up the path to your door.

## "Put One Over!"

Of course, a few people will. And that's the next problem — compensation fraud. Let me cite a clear-cut case:

Bill was brought in immediately after a barrel rolled off the truck and struck him in the left flank. He had nothing more than a bad bruise, but for the sake of a good legal record the doctor took x-rays of his spine and ribs, which showed no fracture. The next day, he was brought to a nearby hospital. He was in shock and was severely injured. X-rays showed that several ribs and the spine were fractured. Because of the spinal fracture, he developed a paralysis which was disabling for life.

Later — after the trial — Bill even bragged that he had put one over on the company. He admitted (off the record) that an auto accident was the real cause of his crippling injuries. But with a smart lawyer and a heart-string-pulling act, Bill won an \$80,000 settlement.

This is out and out fraud — legalized robbery. But it could never happen if it weren't for one thing: in the heart of a juror, the worker is suffering, abused human being and the company is a cold, implacable machine. Further, the worker is the underdog — a weak and crippled thing who has not the power to mus-



comprehensive expert witnesses and lawyers.

This situation can't be corrected in the courtroom. You have to get to the juror before he ever gets to be a juror, before he even suspects that he might be a juror, to correct these prejudices. You have to get to him when he's a plain citizen, with a really good public relations program. Most of the benefits a firm gives to its workers come under the heading of big-brotherhood, of solicitous interest in the welfare of the ordinary workers. Most of its policies are based on fairness, on giving everyone a chance to even break. Stressing these things in public relations—letting the general public as well as employees, prospective employees, and customers know about them—is in the long run a good investment.

### Excess Medical Care

Neurosis and fraud with the compensation of prejudiced juries aren't the only things that hike compensation bills. Doctors themselves are sometimes unwittingly guilty. Unfortunately, this is a very hard thing to measure or control. If Bill Jones wrenches his back on Sunday afternoon, he'll average only two or three calls at the doctor's office to get it. Let him do the same thing during working hours and he'll be at the doctor's office every day for two weeks. But the doctor isn't necessarily putting the bite on you or your insurance company. He's trying to keep his patient happy. When Bill is paying for each call himself, the thing that makes him happy is a small bill and enough help to keep the pain bearable. When it's on the boss, he wants everything medical science can offer to keep him from having a single twinge of discomfort. Still, the fact remains that an unscrupulous doctor can multiply his fees by too zealous, too long treatment. The patient is usually willing to come in twice a day as long as the worst remaining twinge of pain remains, and some doctors who charge for the call may be tempted to have him do so.

There are several ways to keep him from being over charged in this way. The simplest way is to get away from the for-each-visit-or-treatment billing. If you can't set up a part-time industrial clinic of your own, try to get the doctor to take your work on the basis of a flat fee for care of each

diagnosis. The fee schedule might be double the standard Blue Shield schedule for your area, or the compensation insurance people can be called in. Consultation with an independent specialist should be ordered occasionally as a spot check on diagnosis and in cases where recovery is slow.

Compensation neurosis, compensation fraud, and excess medical care for compensable injuries at least double medical and compensation insurance bills. The foregoing ideas will help to cut down these losses within the present framework. It may be starry-eyed idealism to try to go beyond this point, but in case you want to get visionary here are three more ideas:

Medical science has proved that certain people are very liable to accidents, just as others are prone to hernia. Could not the compensation laws be changed to take this into account? (If so, at least half the compensation cases would be affected).

Increasingly, science looks for the cause of accidents themselves and prolonged disability from them in the worker's personality and in his home life. Should not industry finance intensive psychological and sociological research into these problems?

Once it becomes clear that he deserves a settlement, the worker keeps himself in a state of unhealthy turmoil worrying about what it will be. Wouldn't the insurance companies ultimately gain by making a really adequate, prompt offer and sticking to it? If two or three cases were ever actually settled in a plant for less than the company's initial, deliberately generous offer, for instance, what would happen to the average duration of disability in time-loss accidents?

These things are speculation, of course. But the others are facts. Screening employees, giving them increased personal security, and handling their injuries and their claims with a personal touch will cut down your losses from compensation neurosis. Good public relations will cut down your loss due to stacked-jury fraud. Tying medical fees to diagnosis instead of to number of visits and using an occasional consultation to keep check will cut down your loss due to excessive medical treatment. All of these things together will save you a great deal of money.

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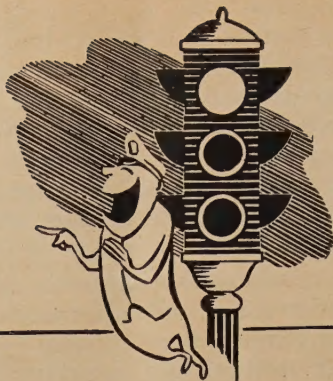
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# Stop me...If...



"I'm sorry the manager isn't in," said the clerk to the pompous individual who had strutted in. "Is there anything I can do for you?"

"No," snapped the visitor. "I never deal with underlings. I'll wait until the manager returns."

About an hour later the pompous one became impatient. "How much longer do you think the manager will be?" he demanded.

"About two weeks," was the reply. "He just left on his vacation."

Joe: "Why has a woman never been President?"

Jack: "Don't you know the President has to be over 35?"

Extremely nervous holdup man: "Stick 'em up, or else!"

Victim: "Or else what?"

Holdup man: "Don't confuse me, this is my first job!"

Notice in a Scotch church: "Those in the habit of putting buttons instead of coins in the collection plate will please put in their own buttons and not buttons from the cushions on the pews."

"I hope you don't think me too young for marriage with your daughter," said the young man anxiously.

"Not at all, my boy," said the cheerful reply. "You'll age fast enough."

The teacher turned to little Johnny and asked if any state had a lady governor.

Quick as a wink came the reply, "Sure. The state of matrimony!"

Parents who never strike their children in anger probably can't run fast enough.

A sentimental woman was married to an unromantic man. One evening she said to him with a sigh:

"Would you mourn for me if I were to die?"

"Oh, yes," he mumbled, "of course I would."

"And would you visit the cemetery often?"

"Certainly," he said with a little more animation. "I pass it on the way to the golf course."

The prisoner's attorney was at a dead end. "Jim," he said, "I filed a motion in Justice of the Peace Court in your behalf, and we got denied. Then I filed a Writ of Habeas Corpus in your behalf in Circuit Court, and we got denied. Next I filed an appeal with the State Supreme Court. There, too, we were denied."

"Finally, I filed a Writ in the highest court in the land, the United States Supreme Court. Again it was the same old story."

"Now Jim, as your faithful counselor, I feel it is my duty to inform you that the only place left for you to file is the bars of your cell."

"Thankful," grumbled the sourpuss to the sunshine spreader. "What have I got to be thankful for? Why I can't even pay my bills."

"In that case," prompted the other, "be thankful that you aren't one of your creditors."

When he returned home from his first day of kindergarten, Scott's mother asked him what teacher had told him. "To stop," was his brief reply.

Three men were arguing over whose fession was first established on earth.

Said the surgeon, "The Bible says Eve was made by carving a rib out of Adam. I guess that makes mine the oldest profession."

Said the engineer, "Not at all. An engineering job came before that. In six days the Earth was created out of chaos—that was an engineer's job."

Said the politician, "Yes, but who created the chaos?"

A man who went to his doctor's consulting room was somewhat surprised when the nurse told him to step into the next room and remove his clothes.

"But, nurse," he started in a hoarse whisper, "it's my throat."

"Please do as I tell you," snapped the nurse, "or I shall be forced to cancel your appointment."

So, shrugging his shoulders, he went to the next room and there sat a young fellow who was looking very uncomfortable, quite naked except for a large parcel held across his knees.

"Doesn't that beat everything," said the man, removing his coat. "I come in here with a sore throat, and I have to take my clothes off."

"What are you grumbling about?" asked the reply. "I just came along to deliver this parcel."

A Sunday School teacher finished a lesson on behavior and what we must do to get to heaven. "Now, Tommy," she said, "tell me what we must do before we can expect forgiveness of sin."

Tommy thought a bit, then replied, "I gotta sin."

Husband, consoling wife at daughter's wedding: "Don't think of it as losing a daughter; think of it as gaining a new room."

